

CITY COUNCIL

7:00 P.M.

December 15, 2008

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

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

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 December 1, 2008, Special Truth-in-Taxation Meeting and December 1, 2008, regular Council meeting) and item 4 (Treasurer’s Report for July)

THE MOTION CARRIED

PETITIONS, REQUESTS, & COMMUNICATIONS – Member Gustafson noted he had received many comments regarding how nice the City Christmas tree looked this year.

DEPARTMENTS

CITY ADMINISTRATOR

2008 BUDGET AMENDMENT – Ms. Fralich said there were concerns the City could lose LGA and MVHC funds. Amendments to the 2008 budget do not reflect any changes to these original amounts, however.

Motion Marolt, second Gustafson to approve the amendments to the 2008 budget as presented. THE MOTION CARRIED

RESOLUTION 2009-#43 – FINAL 2009 BUDGET – Revenues from LGA/MVHC will be left as is in the 2009 budget until the City is informed of any changes. Ms. Fralich noted a couple of scenarios and how it could affect the City’s revenues.

Motion Gustafson, second Marolt to adopt **Resolution 2009-#43, Fiscal Year 2009 Budget** in the total amount of \$5,361,732.

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

THE RESOLUTION WAS ADOPTED, 4 ayes, 1 naye

RESOLUTION 2008-#44—FINAL 2009 GENERAL LEVY – Motion Kelley, second Gustafson to adopt **Resolution 2009-#44, 2008 Collectible 2009 Tax Levy** in the total amount of \$866,055.

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

RESOLUTION 2008-#45—MARINA BUSINESS PLAN – Motion Dow, second Kelley to adopt **Resolution 2008-#45, Authorization to Execute Minnesota Department of Natural Resources Cooperative Agreement for Marina Management.**

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

APPROVE 2009 HOLIDAYS AND REVISED COUNCIL MEETING DATES – Motion Kelley, second Marolt to approve the following holidays for 2009: January 1, January 19, February 16, May 25, July 4, September 7, October 12, November 11, November 26, December 24 and 25; and the following Council Meeting dates: January 5 and 20, February 2 and 17, March 2 and 16, April 6 and 20, May 4 and 18, June 1 and 15, July 6 and 20, August 3 and 17, September 8 and 21, October 5 and 19, November 2 and 16, December 7 and 21.

THE MOTION CARRIED

2009 LIQUOR, BEER, AND CIGARETTE LICENSES – Motion Marolt, second Dow to approve issuing the following licenses for 2009: Cigarette Licenses—Silver Bay Spur, Bri-Esa’s Convenience Store, Silver Bay Municipal Liquor Store, Zupancich Brothers, Inc.; Beer On-Sale Licenses—Silver Bowl, Silver Bay Golf Course; Liquor License On-Sale (Monday through Saturday) – Silver Bay Municipal Lounge (Re-Union Hall).

THE MOTION CARRIED

MILEAGE REIMBURSEMENT – Motion Gustafson, second Dow to adopt the IRS 2009 standard mileage rate of 55 cents per mile as the City mileage reimbursement effective January 1, 2009, and also to lower the reimbursement rate for use of a personal vehicle when the city car is available to 27.5 cents/mile effective January 1, 2009. THE MOTION CARRIED

DILLY DALLY LEASE ADDENDUM – Motion Kelley, second Gustafson to adopt the addendum to the Dilly Dally lease decreasing rental by \$20 per month as long as they rent their own dumpster and do not place any garbage in the City’s dumpster. THE MOTION CARRIED

ASSISTANT CHIEF POSITION – Ms. Fralich reported the personnel committee had reviewed applications and interviewed for the asst. police chief position but was not able to recommend any of the candidates. They recommended not filling the position at this time. The police chief and the personnel committee, however, recommend moving Chad Streiff, who has been working fulltime, to fulltime status with union benefits. In response to a question of who would be in charge if there were no assistant chief, Ms. Fralich said the patrolman on duty would be the acting department head in the absence of the police chief. Member Marolt did not feel this was a good option for the City. He suggested training someone for the assistant chief position. Council discussed the impact on the department if another union position was created and whether or not that position could be eliminated later if someone was promoted to assistant chief within the department. Mayor Johnson recalled that the department had operated with one patrolman designated as a sergeant for most of its existence until an assistant chief position was created a few years ago.

Motion Gustafson, second Kelley to fill the vacancy in the police department by moving part time officer Chad Streiff to full time status with union benefits.

THE MOTION CARRIED. Member Dow abstained.

COMMITTEE/COMMISSION REAPPOINTMENTS - Motion Marolt, second Kelley to reappoint the following to City Committees/Commissions, all terms to expire 12/31/2011: Marie Frey (Cable TV Advisory Committee and Public Works Commission; Robert Kind (Liquor Commission); Kent Shamblin (Airport Commission); Chris Mallory and Nathan Stadler (Parks and Recreation Board). THE MOTION CARRIED

LMC INSURANCE TRUST INSURANCE LIABILITY WAIVER – Motion Kelley, second Gustafson that the City select “Does Not Waive” the monetary limits on municipal tort liability on the LMC Insurance Trust liability coverage waiver form. THE MOTION CARRIED

RESOLUTION 2008-#46—MN COMMUNITY CAPITAL FUND – Ms. Fralich said \$25,000 was placed in the 2009 budget for participation in the MN Community Capital Fund. The EDA recommended approval of the Agreement to begin effective January, 2009.

Motion Marolt, second Kelley to adopt **Resolution 2008-#46, Authorization to Execute Minnesota Community Capital Fund Participation Agreement and Loan Fund Escrow Agreement.**

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

RESOLUTION 2008-#47—S.E.H. AGREEMENT FOR CAMPGROUND – Ms. Fralich noted the IRR would reimburse 50% of the \$7,000 cost of this agreement with S.E.H.

Motion Kelley, second Marolt to adopt **Resolution 2008-#47, Authorization to Accept the Proposal from Short Elliot Hendrickson, Inc. for the Preliminary Site Layout and Funding Submittals for the Proposed Silver Bay Campgrounds.**

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

RESOLUTION 2008-#48—IRR GRANT AGREEMENT FOR ECO-INDUSTRIAL PARK – Ms. Fralich noted the possibilities for renewable resources and the increasing interest businesses were showing in this. The proposed grant would provide the \$12,500 matching funds required by the MPCA for a feasibility study for an eco-industrial park.

Motion Gustafson, second Kelley to adopt **Resolution 2008-#48, Authorizing the City of Silver Bay to Enter into a Grant Agreement with the State of Minnesota Through the Office of the Commissioner of Iron Range Resources for the Eco-Industrial Project and Authorize the Mayor and the City Administrator to Sign the Grant Agreement.**

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

RESOLUTION 2008-#49, IRR BUSINESS PARTNERSHIP GRANT SUBMISSION – Ms. Fralich noted the EDA recommended entering into this new IRR program with \$75,000 from the City’s current storefront renovation program. She explained the benefits of the new program.

Motion Kelley, second Marolt to adopt **Resolution 2008-#49, Authorizing the City of Silver Bay to make Application to the Iron Range Resources Community Business Partnership (09) Grant Program and to Sequester \$75,000 from the Economic Development Storefront Loan Program and Solicit Letters of Interest from Local Businesses for Application Support.**

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

RESOLUTION 2008-#50—S.E.H. AIA CONTRACT APPROVAL FOR MARY MAC – Motion Gustafson, second Kelley to adopt **Resolution 2008-#50, Authorization to Execute the AIA Document B101 Agreement with Short Elliot Hendrickson, Inc. for Architectural Services for the Mary MacDonald Rehabilitation Project.**

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

Member Dow – aye
Member Marolt – aye

THE RESOLUTION WAS ADOPTED

OLD BUSINESS – SMOKING POLICY – Council discussed whether or not to allow any smoking in city vehicles. Currently a person may smoke in a vehicle if there are no other occupants. Members Marolt and Kelley felt the policy should be changed mainly because of the lingering effects of second-hand smoke for drivers who subsequently use a vehicle after someone else has smoked in it.

Motion Marolt, second Kelley that the City set a policy that no smoking will be allowed in any city vehicle beginning January 2, 2009.

Member Gustafson expressed support for leaving the policy unchanged.

THE MOTION CARRIED. Member Gustafson voted naye.

NEW BUSINESS -- 2008 YEAR END REVIEW – Ms. Fralich recognized city highlights during 2008 and acknowledged the contributions of many departments and individuals both within and outside the City.

CLAIMS – Motion Gustafson, second Marolt to approve payment of \$29,240.37 unpaid claims and \$13,047.53 paid claims as presented. THE MOTION CARRIED

Motion Marolt, second Gustafson to adjourn at 8:00 p.m. THE MOTION CARRIED

Scott M. Johnson, Mayor

Lana Fralich, City Administrator