

CITY COUNCIL

7:00 P.M.

February 4, 2008

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

Gary J. Brumberg, Interim City Administrator
Wayne G. Johnson, City Attorney

Also attending: Tom Byrnes, Jeff Anderson, Skip Lamb

Mayor Johnson called the meeting to order at 7:00 P.M.

CONSENT AGENDA – Motion Gustafson, second Marolt to approve the Consent Agenda item 3 (minutes of January 22 Council Meeting with correction to Member Dow’s last name on the last page of the minutes and the minutes of the January 24 Special Council Meeting.) THE MOTION CARRIED

PETITIONS, REQUESTS, & COMMUNICATIONS

LIQUOR STORE ADDITION—Liquor Store Manager Byrnes invited council members to visit the liquor store in order to see what impact there would be on the liquor store if the addition was not part of the proposed project. He also asked that paperwork be initiated to allow the liquor store to conduct business from the Re-Union Hall during the renovation project.

Jeff Anderson of Pro Source Technologies and Skip Lamb were present to inform Council of a state funded voluntary program for removal of abandoned underground tanks. Council suggested a public information meeting be held to inform the public of the program.

Member Kelley arrived at 7:15 p.m.

Mayor Johnson noted receipt of the following communications: Thank you from Two Harbors Chamber of Commerce for City of Silver Bay’s membership renewal, Invitation to St. Urho’s Day parade, letter from R. Ranum received 2/1/08 complementing street Department for excellent sanding job they did on Outer Drive, and letter from State House of Representatives Minority Leader Marty Siefert requesting the city to pass a resolution supporting funding for infrastructure needs (Next Agenda).

DEPARTMENTS

CITY ADMINISTRATOR

GOLF COURSE AGREEMENT DISCUSSION – Although the golf course was willing to pay the 2006 and 2007 insurance costs, Mayor Johnson suggested the city not bill them since the course had not been aware of that obligation in the most recent contract.

Motion Kelley, second Marolt that the city forgive the 2006 and 2007 insurance payments for the golf course and change the management agreement with the golf course to remove the paragraph in the agreement that specifies the golf course will pay its share of the insurance payments.

Discussion followed on having the golf course pay insurance costs if their earnings surpassed a certain amount. Council noted the management group's non-profit status, their use of earnings to make repairs at the course and the regular financial statements the group was now going to provide the city. Council decided the city, not the golf course, would pay insurance costs each year.

THE MOTION CARRIED

REVISED AMENDMENT TO SECTION 12.2 OF CITY POLICIES MANUAL – Motion Gustafson, second Kelley to adopt the following amendment to the City Policies Manual: "If the retired employee does not need the City's health insurance, the City will pay for three (3) years, one-half (1/2) the cost of the employee's current health insurance premium to the employee's MN State Health Care Savings Plan."

Member Gustafson felt there should be an age requirement in addition to number of years served in order for an employee to qualify for this benefit. This will be discussed at the next contract negotiations.

THE MOTION CARRIED Member Dow voted naye.

WORKERS COMP VOLUNTEER POLICY – Motion Kelley, second Marolt to keep the basic plan at a cost of \$207 for the city's workers comp volunteer policy.

THE MOTION CARRIED

M CLUB GAMBLING PERMIT APPLICATION – Motion Marolt, second Gustafson to give permission to the mayor or the interim city administrator to sign the M Club's application to the State of Minnesota for a gambling permit. THE MOTION CARRIED

PERSONNEL COMMITTEE RECOMMENDATIONS – Mayor Johnson reported the personnel committee had met with the union regarding wages for Dave Oltman and a wage for a new position of head part-time bartender. The suggested wages include the wage increase given to all employees for 2008.

Motion Kelley, second Marolt to approve an increase to \$18 per hour for Marina Manager Dave Oltman, effective February 4, 2008. THE MOTION CARRIED

Motion Marolt, second Gustafson to approve an increase of \$1.25 for Julie Jensen in a new position of head part-time bartender, effective February 4, 2008, with the understanding a job description for this position will be in place.

Discussion followed. It was clarified that the head part-time bartender was a new position that held more responsibility than that of part-time bartenders. THE MOTION CARRIED

AUTHORIZE 2007 GENERAL FUND TRANSFERS – Motion Gustafson, second Kelley to adopt **Resolution 2008-#7, Authorizing Annual Funds Transfers from the General Fund to the Library Fund, Arena Fund, and Parks & Recreation Fund** as follows: Library Fund--\$16,095; Arena Fund--\$113,000; Parks and Recreation Fund--\$111,000.

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

THE RESOLUTION WAS ADOPTED

APPROVAL OF FINAL PAYMENT TO CONTRACTOR FOR PFA PROJECT – Motion Marolt, second Kelley to approve final payment of \$93,210 to Spring Lake Contracting, Inc. for the PFA water project. THE MOTION CARRIED

ARSON TRAINING FOR FIREFIGHTERS – Motion Kelley, second Dow to approve sending 3 members of the Silver Bay Fire Department to the School on Arson March 26-28 in St. Cloud, Minnesota, with usual expenses paid. THE MOTION CARRIED

CLARIFICATION OF J. DURESKY'S LAST DAY OF WORK – A letter from Utilities Supt. Duresky clarifies that his last day of work will be February 29, 2008, rather than March 1.

CITY ATTORNEY

CODE AMENDMENT—LIQUOR PROFITS – Atty. Johnson noted although the city had been distributing 50% of the liquor store profits to the parks and recreation and public works funds each year, this authority had not been included in the City Code when it was last revised. Atty. Johnson will prepare an amendment to the Code. (NEXT AGENDA)

NEW BUSINESS

SCORING SYSTEM FOR CITY ADMINISTRATOR APPLICATIONS – Council discussed the scoring system and possible additions or changes. Council members should get any suggested changes to Mr. Brumberg by Wednesday.

MARY MACDONALD ISSUES – Atty. Johnson and Mr. Brumberg will follow up on some issues raised in regard to Mary MacDonald--an antenna that has recently been erected, a pop machine, the increased usage of the kitchen by one lease holder.

CLAIMS - Motion Kelley, second Marolt to approve payment of \$116,892.42 unpaid claims and \$94,102.42 paid claims as presented. THE MOTION CARRIED

Motion Marolt, second Kelley to adjourn at 8:17 p.m. THE MOTION CARRIED

Minutes taken by Betty Oslund

Scott M. Johnson, Mayor

Gary J. Brumberg, Interim City Administrator