

CITY COUNCIL

7:00 P.M.

July 16, 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: Forrest Johnson, Andy Fisher

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

CONSENT AGENDA – Motion J. Kelly, second S. Marolt to approve the consent agenda item 3 (minutes of July 2 Council meeting). THE MOTION CARRIED

PETITIONS, REQUESTS, & COMMUNICATIONS

LETTER FROM SILVER BAY TOURISM – Andy Fisher of the newly formed Silver Bay Tourism Association was present regarding their letter of request for a \$2,000 financial contribution from the City of Silver Bay. Discussion followed. Atty. Johnson will research whether or not the City can contribute to this private association. Mayor Johnson asked that the group inform the Economic Development Authority of their organization and financial needs. NEXT AGENDA

UNIVERSITY OF MINNESOTA FESTIVAL & EVENT MANAGEMENT PROGRAM – Member P. Kelley felt this program could be helpful to people planning events in Silver Bay. He suggested member Gustafson might like to attend.

Motion J. Kelly, second P. Kelley to approve attendance of one member of the City Council to all sessions of the U. of MN Festival and Event Management program. THE MOTION CARRIED

LETTER FROM MPCA – Letter received from the MPCA regarding Permit #58421 issued for construction of water & sewer main extensions in Silver Bay Business Park.

DEPARTMENTS – CITY ATTORNEY – QUESTION RE: OFFSET OF PAYMENTS VS. RECEIVABLES OWED – Atty. Johnson noted at the last meeting Council had a question regarding whether or not the City could withhold payment to a tenant at Mary MacDonald that was arrears in his rent. He said his opinion was that since this involved a bill for services rendered rather than for wages owed to an individual, the City could offset the amount of that payment against the amount of money that individual owed the City.

Atty. Johnson reported the State required a wetlands certificate before the deed could be signed to transfer the land in the city shop area to the city. The City would therefore incur some additional expense before the transfer could be made.

OLD BUSINESS

BUSINESS PARK—PURCHASE AGREEMENT, LOT 1, BLOCK 2, CARIBOU DESIGN – Atty. Johnson stated he had prepared an addendum to the Purchase Agreement with Bruce Carman of Caribou Design for business park land. The addendum extends the deadline to August 20 and amends the agreement to provide for payment of approximately one-half of the purchase price balance by July 31 and the remaining balance at closing.

Motion J. Kelly, second P. Kelley to approve the addendum to the Purchase Agreement with Caribou Design for Lots 1, Block 2 in the Business Park and to authorize the Mayor and the City Administrator to sign the addendum. THE MOTION CARRIED

Member Gustafson reported the ad hoc committee for a possible private assisted living facility was looking into grants and other funding for a professional feasibility study.

MARY MACDONALD ISSUES – It appears none of the windows, doors, or boiler from the old Two Harbors school will be usable at Mary Mac. Jim Huset has signed a contract as the new manager of the building.

NEW BUSINESS – BID COMMITTEE AND ENGINEER RECOMMENDATION FOR WATER/SEWER EXTENSION AT BUSINESS PARK – Two bids were opened on July 10 as follows: Utility Systems of America -- \$38,410.00 and Louis Leustek & Sons -- \$49,399.25. Upon review of engineer M. Miller, it is recommended the bid be awarded to the low bidder, Utility Systems of America.

Motion J. Kelly, second Marolt to adopt **Resolution 2007-#20, Authorizing Award of Contract to Utility Systems of America, Inc.** in the amount of \$38,410.00

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

THE RESOLUTION WAS ADOPTED

PLANNING & ZONING COMMISSION RE: NUISANCE DISCUSSION AT 7-11-07 MEETING – Member P. Kelley said Planning and Zoning was asking that the Council review enforcement of Nuisances and Offenses of the Code. He said the Commission felt a recent complaint was enforceable under the City Code but the police department inspected the property and decided it did not fit into the Code. Discussion followed regarding the language in the Code and the process for enforcement of violations. Atty. Johnson said after a complaint was filed by a citizen, the police department would investigate and issue a citation. If the police department had any questions regarding whether or not there was an enforceable violation or not, they should bring the issue to the city attorney's office. Atty. Johnson said current language in the Code was fairly clear in defining waste and junk and his office had told the police department to come to them if they had any questions. If the facts are there, Atty. Johnson said, his office should have

no problem prosecuting. Mayor Johnson said these complains were an enforcement issue, not a Planning and Zoning issue. Council asked the city administrator to convey their enforcement concerns to the police department and ask the department to discuss any questions they have regarding complaints with the attorney's office.

CAMPGROUND—REQUEST BUDGET DIRECTION – No funds were budgeted for 2007 for establishing a campground. Member Marolt questioned use of the 401 fund to pay for this work. Mayor Johnson suggested asking departments if they might have 2007 budget funds available to pay for the 2007 costs.

AGENDA DEADLINE QUESTION – Member P. Kelley asked if the City had a deadline for placement of items on the agenda. He stated he was concerned about having to make decisions on items the Council had no time to study. Mr. Smith said he verbally asked people with items for the agenda to get agenda materials to the office by Wednesday, but he used his judgment regarding items that came in later than that. Mayor Johnson and Atty. Johnson both said Council as a whole or any individual member could always ask that action on an item be delayed to allow sufficient time to study the issue.

CLAIMS – Motion J. Kelly, second Gustafson to approve payment of \$94,522.66 paid claims and \$134,660.92 unpaid claims as presented. THE MOTION CARRIED

Motion Marolt, second P. Kelley to adjourn at 8:04 p.m. THE MOTION CARRIED

Scott M. Johnson, Mayor

Tom Smith, City Administrator