

CITY COUNCIL

7:00 P.M.

June 4, 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: Jack Swanson, Ruth Koepke

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

CONSENT AGENDA – Motion J. Kelly, second P. Kelley to approve the Consent Agenda (minutes of May 21 Council meeting and April 2007 Treasurer’s Report). THE MOTION CARRIED

PETITIONS, REQUESTS, & COMMUNICATIONS

Letter from Beaver Bay Township re: fire protection contract. The Township offers \$10,000 per year for a three-year period, 6/1/2007-5/31/2010. Council agreed to the terms and asked the city attorney to prepare the three-year agreement.

Motion Marolt, second J. Kelley to continue to provide fire protection services for Beaver Bay Township pending preparation of a new contract. THE MOTION CARRIED

Letter from MN Dept. of Employment and Economic Development informing the City that its application for a MN Public Facilities Authority loan had been approved and that the Authority’s financing package would consist of a \$726,450 twenty-year loan at an interest rate of 1.65%. It is estimated this financing will save Silver Bay taxpayers approximately \$205,445 in interest costs compared with costs for a general obligation bond at current market rates.

Member Marolt reported on items of discussion at the most recent joint meeting of the City, Lake County and the Lake Superior School Board. The next meeting will be June 20, 4:00 p.m. in Two Harbors

DEPARTMENTS – CITY ATTORNEY – MPFA LOAN AGREEMENT - Motion J. Kelly, second Gustafson to adopt **Resolution 2007-#12, Authorizing MPFA Loan Agreement.**

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

THE RESOLUTION WAS ADOPTED

OLD BUSINESS

MARY MAC CENTER—BDP ARCHITECTS—REPAIR AND IMPROVEMENT ESTIMATES – Council spent some time discussing the estimated cost analysis for energy improvements and code issues at Mary MacDonald Center prepared by Wayne Dahlberg of B.D.P. Architects. There was agreement that fire suppression was the first priority for the building, that the Council would be open to selling the building, that an appraisal was needed, and that the City needed to set priorities and begin putting together numbers on the costs needed to bring the building up to code. There was discussion on Iron Range Resources guidelines which now favor added employment and economic development. Member P. Kelley suggested itemizing everything needed to bring the building up to code and developing a 3-5 year plan for making the improvements.

Motion J. Kelly, second P. Kelley to authorize an appraisal of the Mary MacDonald property. THE MOTION CARRIED

Member Gustafson felt the City should get a building manager in place as soon as possible. The Personnel Committee will meet at 4:00 p.m. June 6 to review applications for building manager and also to review applications for police officer.

Mayor Johnson announced the Council would hold a closed session at the end of the meeting to discuss wage and benefit negotiations.

NEW BUSINESS

2007 WATER SYSTEM IMPROVEMENTS AGREEMENT - Motion J. Kelly, second P. Kelley to adopt **Resolution 2007-#13, Authorizing Engineering Construction Services for 2007 Water Improvement Project.**

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

THE RESOLUTION WAS ADOPTED

DRAFT OF PROPOSED STATE 2008 LOCAL GOVERNMENT BONDING LIST—CITY OF SILVER BAY – Mr. Smith explained how he calculated the amounts for possible City projects for the 2008 State bonding bill process. Council endorsed the list and amounts as presented.

CONGRATULATING HIGH SCHOOL GIRLS SOFTBALL TEAM - Motion Gustafson, second J. Kelly to adopt **Resolution 2007-#14, Commending the Silver Bay Girls’ Fast Pitch Softball Team**

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

THE RESOLUTION WAS ADOPTED

CITY EXCHANGE DAY - Motion J. Kelly, second Gustafson to advertise a city exchange day for June 15 with the understanding all items not exchanged will be removed by June 18. THE MOTION CARRIED

Member Gustafson asked for volunteers to ride on the City's float in the Two Harbors July 7 Heritage Days parade and pass out brochures advertising Silver Bay's July 21-22 celebration. He also reported that the City could receive federal funding to pay for 95% of the estimated \$5,000 to \$10,000 cost to replace the fuel monitoring system at the airport. This item will be on the next airport agenda.

CLAIMS – Motion J. Kelly, second P. Kelley to approve payment of \$27,693.93 unpaid claims and \$103,574.16 paid claims as presented. THE MOTION CARRIED

Jack Swanson, 25 Aiken, complained that the City did not seem to be doing anything about a property near him that appeared to have code violations. Council asked him to put his complaints in writing. Council agreed they wanted to have these situations pursued.

The meeting was closed at 7:47 p.m. to discuss wages and benefits. The meeting was reopened at 7:58 p.m.

Motion Marolt, second Gustafson to adjourn at 7:59 p.m. THE MOTION CARRIED

Scott M. Johnson, Mayor

Tom Smith, City Administrator