

CITY COUNCIL

7:00 P.M.

November 19, 2007

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

Absent: One Seat Vacant

Wayne Johnson, City Attorney

Also attending: John Fredrickson, Shelley Fredrickson, Chris Mattila, Tessie Huset, Karen Morris-Warner, Ken Smith, Denise Smith

Mayor Johnson called the meeting to order at 7:01 p.m.

CONSENT AGENDA – Motion Kelley, second Marolt to approve the consent agenda (minutes of November 5 Council Meeting). THE MOTION CARRIED

PETITIONS, REQUESTS, AND COMMUNICATIONS – Mayor Johnson announced receipt of a notice of League of MN Cities training for newly elected and experienced officials to be held in January 2008, an invitation to a Second Harvest event, an invitation to the December 4 Two Harbors Chamber breakfast, and a letter from Cheryl Marolt expressing concern regarding things that had occurred at the city office.

Recommendation for Airport Maintenance Contractor – Airport Chair Tom Porter, in his memo of November 19, states that two members of the Airport Commission interviewed Warren Swarmer and recommend Council enter into a contract with Mr. Swarmer as airport maintenance contractor.

Motion Gustafson, second Kelley to approve entering into a contract with Warren Swarmer as airport maintenance contractor, effective December 1, 2007. THE MOTION CARRIED

Mayor Johnson announced a closed meeting would be held at the end of the Council meeting to discuss a possible disciplinary matter

DEPARTMENTS – CITY ATTORNEY – DILLY DALLY SHOP LEASE – Atty. Johnson reported an agreement had been made with the Dilly Dally Shop to lease an additional room (3 rooms total) for a 2-year period. The tenant would pay additional rent for the extra room this November and December. Beginning January 1, 2008, the Dilly Dally shop would pay a total of \$900 per month or about \$4.50 per square foot, for their total space, which was consistent with what some other tenants were paying. The lease will also allow the tenants, subject to the approval of the building inspector, to make an entryway from the additional room into one of the other rooms at their own expense. Member Kelley was concerned that the city would have to bear the expense of replacing the wall if the Dilly Dally Shop decided not to continue leasing that room and also that allowing this would set a precedent. Member Gustafson said the cost for putting the block back would be minimal.

Motion Kelley, second Marolt to allow the Dilly Dally Shop to remove the wall between rooms they will be leasing with the understanding they will repair the wall if they do not continue to lease the additional room. Members Kelley and Marolt voted aye. Member Gustafson and Mayor Johnson voted naye. The Motion Failed

LAKE COUNTY LEASE RENEWAL – Mayor Johnson will contact a county board member to discuss a possible increase in rent paid by Lake County for space at Mary MacDonald.
NEXT AGENDA

Atty. Johnson noted he had prepared a digest of the lodging tax ordinance for publication in the official paper. He reported asst. atty. Morris would not be attending the seminar approved by Council at the last meeting because he felt there would be upcoming seminars that would be more valuable.

OLD BUSINESS

COUNCIL VACANCY INTERVIEWS – Council had met to interview on November 16 but had felt the meeting may not have been properly noticed and therefore decided to set another meeting for this purpose.

Motion Kelley, second Marolt to set a Special Council Meeting for Monday, November 26, 2007, at 12:30 p.m. for the purpose of interviewing applicants for the city council vacancy and making a recommendation to the Council at its December 3 meeting. THE MOTION CARRIED

Member Kelley asked if Council could have a report of the publications that would be used to advertise the opening for city administrator. Council reviewed the draft of the advertisement for the opening.

NEW BUSINESS

FREDRICKSON SUBDIVISION—MR. SALENE – NEXT AGENDA

GRANT APPLICATION--MN LAKE SUPERIOR COASTAL PROGRAM—CAMPGROUND PLAN/DESIGN – NEXT AGENDA

MN/DOT GRANT AGREEMENT—AIRPORT MAINTENANCE--Motion Gustafson, second Kelley to adopt **Resolution 2007-#32, Authorization to Execute MN Dept. of Transportation Grant Agreement for Airport Maintenance and Operation.**

Roll call vote: Member Gustafson – aye
Member Marolt – aye
One Seat Vacant

Member Kelley – aye
Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED

MARY MACDONALD COMMITTEE RECOMMENDATION TO INCREASE BUILDING MANAGER PAY – Member Gustafson said the agreement in the contract made with Jim Huset as Mary MacDonald building manager was that his rate of pay would increase at the

rate of \$1/hour at each step in securing certification as a licensed boiler engineer. Mr. Huset had received the first step in his certification in September.

Motion Gustafson, second Marolt to increase the pay of MacDonald building manager Jim Huset by \$1 per hour effective October 1, 2007, because of his new boiler certification.
THE MOTION CARRIED

REQUEST FOR FUNDS FOR JULY 2008 CITY CELEBRATION – Member Gustafson announced plans for the 2008 city celebration would include lumberjack demonstrations. Because of increased insurance costs, the celebration committee was requesting \$3000 from the city. Council members wanted to check the 2008 budget before approving the request. NEXT AGENDA

Motion Gustafson, second Marolt to authorize Pat Kelley to talk to Cook County regarding serving as a fiscal agent for Silver Bay's lodging tax and to report back to the City Council.
THE MOTION CARRIED

Atty. Johnson advised the Council would need to formally establish a tourism bureau, which would be done by ordinance. He will research whether or not this can be a private organization.

CLAIMS – Motion Kelley, second Marolt to approve payment of \$51,166.48 paid claims and \$47,629.34 unpaid claims as presented. THE MOTION CARRIED

The meeting was closed at 7:42 p.m. to discuss possible disciplinary action. The meeting reopened at 8:01 p.m.

Mayor Johnson announced that Council determined there was not sufficient evidence to take disciplinary action. Council had discussion on certain policies regarding use of the city car, however, and concerns regarding use of the car especially in light of current gas prices.

Motion Kelley, second Marolt that any use of the city car needs to be approved by an employee's department head or by the mayor.

Mayor Johnson clarified that this meant department heads needed approval from the mayor in order to use the car. Other employees would request approval from their department head.
THE MOTION CARRIED

Motion Kelley, second Gustafson to adjourn at 8:05 p.m. CARRIED

Scott M. Johnson, Mayor

Tom Smith, City Administrator