

## CITY COUNCIL

7:00 P.M.

November 3, 2008

Present: Scott M. Johnson  
David Gustafson  
Steven Marolt

Absent: Pat Kelley, excused  
Amber Dow, excused

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

Also attending: Nancy Schultz—S.E.H. Engineering

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

CONSENT AGENDA – Motion Marolt, second Gustafson to approve the Consent Agenda item 3 (minutes of October 20, 2008, Council Meeting and October 27, 2008, Special Council Meeting), and item 4 (Treasurer’s Report for March 2008). THE MOTION CARRIED

PUBLIC PRESENTATION – S.E.H. PRESENTATION—MARY MAC REHABILITATION – Nancy Schultz of S.E.H. reviewed the latest designs and cost estimates for the Mary MacDonald rehabilitation project with Council. Ms. Fralich noted if the City and County could do the sprinkler water main hookup and the loading dock drive/site grading, the money saved there could be spent on energy efficiency items. The County has indicated their personnel should be able to assist with this work next year pending approval by the County Board. Timing is a concern, however, Ms. Fralich said, since the business has an urgent need for the loading dock. Mayor Johnson will talk to the County about their time restraints for doing the work. Discussion followed regarding what work might be done on the loading dock area this fall. The Mary MacDonald Committee has recommended the Council approve having S.E.H. continue with the next step—providing design documents in more detail—after some questions regarding the loading dock and compatibility of current key cards with planned access to the building have been resolved.

Motion Marolt, second Gustafson to approve having S.E.H. move forward into the construction document phase of the Mary MacDonald rehabilitation project. THE MOTION CARRIED

### PETITIONS, REQUESTS, & COMMUNICATIONS

SKOGLUND TECHNICAL SERVICES – A letter from Nathan Skoglund, dated Oct. 23, 2008, identifying the services he can provide through Skoglund Technical Services, LLC. A second letter from Nathan Skoglund, received Oct. 29, 2008, regarding incorrect information printed in the Lake County News Chronicle regarding the permit Council granted to Mr. Skoglund on October 20 and also indicating Mr. Skoglund’s displeasure with the manner in which the City handled his permit application. Mr. Skoglund asks that his correspondence be included in the public record, that the City pass a motion clarifying the city’s intention to NOT tax the Church and its property, and to verify that a proper and complete correction was, or will be, made in the newspaper.

Ms. Fralich clarified the issues in the letter and stated the reasons Mr. Skoglund's application was not approved the first time it was submitted: (1) Sychar Church, the owner of the property, needed to sign the application and prove that those signing were authorized to sign on behalf of the church, and (2) the question was raised as to whether or not the property was zoned properly for a business to be conducted out of the church property and whether or not the Planning and Zoning Commission wanted to allow a "for profit" business to be conducted out of "tax exempt" property. The issue of how a "for profit" business affects the IRS tax-exempt status of the church was not an issue over which the City had jurisdiction, she said. Council agreed no further City action was needed since the permit had already been approved; the City had no jurisdiction over tax exempt status; and the newspaper, which was responsible for making a correction of the information they misinterpreted, have already stated they would make this correction.

LAKE COUNTY PRESCRIPTION DISCOUNT CARD PROGRAM – Ms. Fralich reported information on the Lake County Prescription Discount Card Program, a new program she felt was valuable for citizens of Silver Bay, could be picked up at various locations including City Hall.

#### DEPARTMENTS -- CITY ADMINISTRATOR

SPECIAL CANVASSING MEETING – Motion Gustafson, second Marolt to set a Special City Council Meeting for Monday, November 10, 2008, at 5:00 p.m. for the purpose of canvassing election results of the November 4, 2008, election THE MOTION CARRIED

INTOXILYZER TRAINING FOR OFFICER DOW – Motion Marolt, second Gustafson to approve sending Officer Dow to the Intoxilyzer Operator Breath Test Training course in St. Paul, MN on December 9-11, 2008, with usual expenses paid. THE MOTION CARRIED

CITY OFFICE CLOSING NOVEMBER 28, 2008 – Motion Gustafson, second Johnson to authoriz closing the City Office the day after Thanksgiving--Friday, November 28, 2008--with the understanding staff will use vacation days or comp time that day. THE MOTION CARRIED

ARROWHEAD REGION MAYOR PROCLAMATION – Motion Marolt, second Gustafson to authorize Mayor Johnson to sign the Arrowhead Region's Proclamation proclaiming November 13, 2008, to be Disability Mentoring Day in the City of Silver Bay, Minnesota, and to authorize Mayor Johnson and Council Member Gustafson to attend the North Shore Area Partner's luncheon in Beaver Bay, MN on November 20 to present the Proclamation. THE MOTION CARRIED

CITY ATTORNEY – RESOLUTION AMENDING CITY CODE 550.02 - Motion Gustafson, second Marolt to adopt **Resolution 2008-#40, Amending the City Code Section 550.02.**

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

Absent for vote: Member Kelley, Member Dow

THE RESOLUTION WAS ADOPTED

## OLD BUSINESS

ASSISTED LIVING PROJECT – A letter from Spectrum Health Companies, received October 28, 2008, states that the company is still very interested in the Silver Bay project but will have to delay application to the IRRB for grant funds until 2009.

2009 UPDATED BUDGET INFORMATION – The County Auditor has provided information regarding tax capacity for Silver Bay. The City's tax capacity will be increasing by 23% which means citizens should not see an increase in the City portion of their tax bill if they have made no taxable improvements on their property.

SUPPLEMENTAL INSURANCE FOR EMPLOYEES – Ms. Fralich reported she had provided Council with information from another company (MN Benefit Association) that offered supplemental critical illness insurances for employees.

Mayor Johnson reported that he and the City Administrator had visited with Rep. Oberstar recently. He also reported he had attended a Highway 61 corridor meeting at which the Silver Bay to Beaver Bay section had been endorsed as a priority for improvements.

Motion Gustafson, second Marolt to approve payment of \$120,553.46 paid claims and \$22,341.78 unpaid claims as presented. THE MOTION CARRIED

Motion Marolt, second Gustafson to adjourn at 7:40 p.m. THE MOTION CARRIED

Minutes taken by Betty Oslund

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Scott M. Johnson, Mayor

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Lana Fralich, City Administrator