

CITY COUNCIL

7:00 P.M.

October 6, 2008

Present: David Gustafson
Pat Kelley
Steven Marolt
Amber Dow

Absent: Scott M. Johnson, excused

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

Also attending: George Pope, Marie Frey, Patrick Ramsdell, Patty Payne Jenny Mattson

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

CONSENT AGENDA – Motion Marolt, second Kelley to approve the Consent Agenda item 3 (minutes of September 15, 2008, Council Meeting) and item 4 (Treasurer's Report for January 2008). THE MOTION CARRIED

PETITIONS, REQUESTS, AND COMMUNICATIONS

Notice from MN Energy regarding public hearings for proposed rate increase.

CHAMBER OF COMMERCE ANNUAL MEMBERSHIP MEETING – Motion Dow, second Marolt to allow Mayor Johnson to attend the Two Harbors Area Chamber of Commerce Annual Membership Meeting in Two Harbors October 16 with usual expenses paid. CARRIED

NOTICE OF NORTH SHORE MANAGEMENT BOARD GIS COLLABORATIVE KICKOFF on October 15 at the Beaver Bay Community Center. Member Gustafson will attend.

FRIENDS OF THE LIBRARY LETTER, dated September 18, 2008, stating that their group will no longer be in a position to manage the Lake Superior Salmon Classic Fishing tournament due to declining membership and that they had passed the event management back to the Silver Bay Yacht Club. Council noted this was a big event for the area. They asked the City Administrator to coordinate a meeting of groups such as the Yacht Club, the Gun Club and the Parks and Recreation Department to discuss continuing the event.

DEPARTMENTS

CITY ADMINISTRATOR

REGISTERED LAND SURVEY—PAT RAMSDELL – The initial land survey previously approved by Council needed to be changed because it is torrens property. Planning and Zoning Commission has recommended approval

Motion Kelley, second Marolt to accept the updated Registered Land Survey for Pat Ramsdells' property as presented and approved by the Planning and Zoning Commission. THE MOTION CARRIED

PUBLIC WORKS COMMISSION—NO PARKING SIGN – The Public Works Commission has recommended a sign be erected because cars are ignoring the yellow lines on Horn between Evans and Outer Drive by the school.

Motion Marolt, second Dow to approve placement of a “No Parking from Here to Corner” sign on Horn Blvd. between Evans and Outer Drive. THE MOTION CARRIED

MINNESOTA COMMUNITY CAPITAL FUND (MCCF) - Ms. Fralich explained the advantages of City membership in the MCCF. She said the Economic Development Authority had recommended the City move forward to approve membership in the MCCF, which would provide an alternative method for the City to provide business loan financing without using all of its available cash. She explained the minimum investment in MCCF was \$25,000, an amount which could be leveraged up to ten times to provide loans for businesses wishing to locate within the City. A City could approve or deny any loan, but all underwriting and loan packaging would be done by finance professionals at no cost to the City. She added that the only risk to the City would be the loss of interest during the time the money was invested with the MCCF. Discussion followed. Member Kelley reported his research regarding the MCCF was very positive.

Motion Kelley, second Marolt to begin the process to join the Minnesota Community Capital Fund as a member in the amount of \$25,000, effective January 1, 2009, with the understanding the City will not cover the credit risk reserve, and, further, to ask the Asst. City Attorney to review the necessary membership documents. THE MOTION CARRIED

COUNCIL RATE INCREASE – Motion Dow, second Kelley to increase the pay for members of the City Council by \$50 per month, effective January 1, 2009, as budgeted in the 2009 budget. Pay will then be \$450 per month for the Mayor and \$350 per month for Council members.

Member Marolt said he felt serving on the Council was a public service and therefore did not favor the increase in pay. Member Dow supported the increase because of the time by Council members spent on City business and many additional meetings. THE MOTION CARRIED. Member Marolt voted naye.

MMUA RED FLAG—IDENTIFY THEFT PREVENTION PROGRAM – Ms. Fralich noted the MN Municipal Utilities Association had informed the City that it must comply with new Federal Trade Commission regulations that prevent their utility customers' information from being stolen or used illegally. The City Office is working on this for presentation at the next Council meeting.

LIQUOR STORE PAY INCREASE FOR JANITOR – The Liquor Control Commission recommends an increase of \$100 per month in the contract with the liquor store janitor, retroactive to June 1, 2008. Member Dow asked how much additional cleaning time was needed. It was noted additional cleaning time has been needed since June 1 because of the completion of the liquor store expansion.

Motion Kelley, second Marolt to approve a pay increase of \$100 per month for the janitor at the liquor store, retroactive to June 1, 2008, because of additional time needed to clean the larger area created by the liquor store expansion. THE MOTION CARRIED

WILDERNESS FAMILY NATURALS LEASE – Ms. Fralich reported the Mary MacDonald Committee was asking Wilderness Family Naturals to enter into a long term lease until March of 2011. The company, however, was asking to extend the current lease on a month-to-month basis until it can be sure that its needs for unloading materials will be met by the rehabilitation of the building. The company had previously stated it did not need a loading dock, but changes have recently occurred and the company has said a loading dock is needed now. Ms. Fralich explained building modifications that would be needed. Concerns were raised from Council members regarding such things as the many requests from Wilderness Family Naturals, whether or not the City was being fair to other tenants in the building, and whether or not increased costs of energy would be covered by rents received.

Motion Marolt, second Kelley to approve continuing the lease with Wilderness Family Naturals on a month-to-month basis beginning October 1, 2008. THE MOTION CARRIED

CHIEF OF POLICE POSITION – Interviews were held for the position of Police Chief. The Personnel Committee recommends that Ron Jonson be hired as Chief of Police, effective October 7, 2008.

Motion Kelley, second Marolt to accept the recommendation of the Personnel Committee to hire Ron Jonson as Police Chief, effective October 7, 2008, and to delay posting the position of Asst. Police Chief at this time until the new Chief has had time to review the job description.

THE MOTION CARRIED. Member Dow abstained.

OLD BUSINESS

MARY MACDONALD BUILDING – The needs of Wilderness Family Naturals for unloading and moving inventory within the building were discussed. Members Kelley and Marolt expressed concern regarding the planned operation of a forklift in an area so close to bathrooms. Member Dow asked if this might affect the insurability of the building. The City Administrator will check on these issues plus the County's offer of assistance for the loading dock. Other issues such as ways to reduce the costs of fire suppression by cutting off access to the courtyard and getting all assembly area rooms in one location were discussed.

NEW BUSINESS

NORTHSHORE SCENIC BYWAY ASSOCIATION – Member Kelley announced he was a board member of the new Northshore Scenic Byway Association, a group which he felt could benefit Silver Bay because it would tie in with the tourism association here. He asked Council if it could provide funds for half of the filing fees this non-profit group needed to incorporate. One goal of the Association is interpretive signage on FH11.

Motion Marolt, second Dow to donate \$55 to the Northshore Scenic Byway Association to assist with startup costs. THE MOTION CARRIED. Member Kelley abstained.

LAKE COUNTY HRA HOUSING STUDY – A copy of the HRA Comprehensive Housing Analysis and Demand Estimates for Lake County which includes recommendations for Silver Bay has been received and is available for review. This information will also be given to the EDA, which has been discussing housing needs.

CLAIMS – Motion Marolt, second Kelley to approve payment of \$94,354.55 paid claims and \$88,675.40 unpaid claims as presented. THE MOTION CARRIED

Motion Kelley, second Dow to adjourn at 8:30 p.m. THE MOTION CARRIED

Minutes taken by Betty Oslund

David Gustafson, Acting Mayor

Lana Fralich, City Administrator