

CITY COUNCIL

7:00 P.M.

September 17, 2007

Present: Scott M. Johnson
Pat Kelley
Steve Marolt

Absent: David Gustafson, excused
James P. Kelly, excused

Tom Smith, City Administrator
Wayne G. Johnson, City Attorney

Also attending: Carol Williams, George Pope, Harold Koepp, Bill Ylatupa, Ken Fischer, Annette Fisher, Forrest Johnson, Marie Frey

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

CONSENT AGENDA – Motion Kelley, second Marolt to approve the Consent Agenda item 3 (minutes of September 4 Council meeting and August 20 Joint Council/EDA Meeting and July Treasurer's Report). THE MOTION CARRIED

PETITIONS, REQUESTS, & COMMUNICATIONS

SILVER TRAIL RIDERS RE: ATV EVENT – William Ylatupa of the Silver Trail Riders said the group that wanted to set a Guinness book record wanted to meet with representatives of the City on October 20 regarding plans, needed permits, etc. for the event, which would be held next June in Silver Bay. A time of 9:30 a.m. on October 20 at the Northwoods Café was set.

Motion Marolt, second Kelley to approve the concept of an event to set a Guinness book world record for number of ATV machines in a single parade on June 14, 2008, in Silver Bay. THE MOTION CARRIED

L.M.C. REGIONAL MEETING - Motion Kelley, second Marolt to approve the attendance of any Council member who wishes to attend the October 2 League of MN Cities regional meeting in Buhl with usual expenses paid. THE MOTION CARRIED

Mayor Johnson noted correspondence from the MPCA stating they had approved Silver Bay's permit for land application of biosolids.

LETTER FROM CAROL WILLIAMS, dated 8/15/07 re: rental of suite 100 at Mary MacDonald – Member Kelley felt this suite had prime exposure for retail and should therefore be reserved for a new business seeking to become established. Mrs. Williams acknowledged that she wanted the room mainly for storage and this room was the closest in proximity to her current business and would therefore allow her to get items out of the hall into storage quickly. Mayor Johnson felt the city should rent suite 102 for 90 days at a reduced rate of \$100 since Mrs. Williams was one of the first tenants in the building.

Motion Johnson to reconsider Council action of September 4 denying the Addendum to the Dilly Dally lease and to grant the request of Carol Williams for a 90-day extension to her

lease to rent room 102 at a rate of \$100/month until January 1, 2008, at which time the lease may be renegotiated. There was no second to the motion

There was further discussion regarding rental space for a new business "Quilts by Grandma" whose owner was willing to either rent room 108 at \$450/month or room 102 at \$550/month. Mrs. Williams agreed she would be willing to lease room 108 rather than room 102.

Motion Kelley, second Marolt to enter into a lease with Carol Williams d/b/a the Dilly Dally Shop to rent Room 108 at Mary MacDonald for \$100 per month from October 1 through December 31, 2007, at which time the lease will be renegotiated if the Dilly Dally Shop decides to continue to rent the room and, further, to enter into a lease with Carolyn Walsh d/b/a Quilts by Grandma, LLC to rent Suite 102 at \$550 per month. THE MOTION CARRIED

LETTER OF REQUEST FROM WILDERNESS FAMILY NATURALS FOR LEASE EXTENSION AND ADDITIONAL SPACE - Motion Kelley, second Marolt to grant Wilderness Family Naturals a lease for room 128 at \$4.50 per square foot or \$350 per month and to renew their lease for all the rooms they rent for a total rate of \$3375 per month. THE MOTION CARRIED

Member Marolt informed Council that Spectrum Health had agreed to the time of the October 15, 4:00 p.m. Joint Council/EDA meeting at City Hall to discuss assisted living.

OLD BUSINESS

LODGING TAX – Member Kelley said the Silver Bay Area Tourism Association now had its State Certificate of Incorporation and letters of support from businesses outside the community stating they would initiate a lodging "fee" that would go into the same "fund" as the proposed city lodging tax. In addition, Cook County would administer the lodging tax funds for a 1% fee.

Motion Marolt, second Kelley to take the proposal to establish a lodging tax off the table. THE MOTION CARRIED

Motion Marolt, second Kelley to adopt **Resolution 2007-#27**, A Resolution to amend Section 225 of the City Code, Establishing a Lodging Tax, effective October 1, 2007.

Mayor Johnson commended the tourism association committee for the work they had done but felt this action by the city was premature since owners of one of the two lodging businesses in Silver Bay had objected to the tax if it was not going to include other businesses in the surrounding area.

Roll call vote: Member P. Kelley – aye
Member Marolt – aye
Mayor Johnson – naye

Absent for vote: Member Gustafson, Member J. Kelly
The motion failed

GRANT WRITER – Member Kelley said he felt the city was missing out on grant funds and needed to be pro-active in applying for grants and therefore needed to consider creating the position of grant writer and planner. Considering the state of the city’s finances, however, he felt this would mean the city would need to eliminate an existing position. Member Marolt said he believed when Mr. Smith was hired, council had discussed having Mr. Smith do some grant writing. He asked Mr. Smith if department heads had asked him to write any grants and if the city had acquired any grants. Mr. Smith noted grant applications had been written for the Bell apartments and for a DEED grant and the city had received airport grants. He said grant funds from the IRB and the State were pretty well stifled, however. There was discussion regarding joining with other entities in order to be part of a large enough group (a consortium) to be eligible for certain grant funds and being willing to have the city share in funding a shared position.

Motion Kelley, second Marolt that the city discuss restructuring and look into hiring a grant writer/planner, and to eliminate the position of city administrator to cover the cost of the new position.

Discussion followed regarding the planner position the city had at one time and whether or not it was effective. Mayor Johnson suggested there were many questions that needed to be researched before taking action at this time.

Motion Marolt, second Kelley to table the vote on the motion to discuss restructuring. THE MOTION CARRIED

ICE ISSUE IN FRONT OF WM. KELLEY – Member Kelley stated this issue should probably be discussed by the public works commission and the police department rather than by the council.

COMMUNITY INFRASTRUCTURE GRANT PROGRAM—BRIEF REPORT AND MEMO - Mr. Smith noted the grant programs required either a 3:1 or 2:1 local match to grant amount. It is questionable where the city would get funds for the match. Mayor Johnson suggested he and the city administrator follow up on possible infrastructure grants on the business program and to request a meeting with the manager of Northshore Mining.

CABLE COMMITTEE MEMBERSHIP – Cable Committee Chair Marie Frey stated the Committee had difficulty getting a quorum for meetings and asked if the committee size could be reduced to 5 persons.

Motion Kelley, second Marolt to adopt **Resolution 2008-#28**, A Resolution to amend the City Code to change the membership of the Cable T.V. Advisory Committee from 7 to 5 members.

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

Absent for vote: Member Gustafson, Member J. Kelly

THE RESOLUTION WAS ADOPTED

CONDITIONAL USE PERMIT - Motion Kelley, second Marolt to approve a conditional use permit for Carolyn Walsh to operate a business known as Quilts By Grandma, LLC, a quilt and fabric shop, in Mary MacDonald Center. THE MOTION CARRIED

The meeting was recessed at 8:23 p.m. A closed session was held to discuss a potential real estate negotiation. The meeting returned to open session at 8:38 p.m.

CLAIMS – Motion Marolt, second Kelley to approve payment of \$112,316.55 unpaid claims and \$64,594.10 paid claims as presented. THE MOTION CARRIED

Motion Kelley, second Marolt to adjourn at 8:40 p.m. THE MOTION CARRIED

Scott M. Johnson, Mayor

Tom Smith, City Administrator