## CITY COUNCIL

7:00 P.M.

September 4, 2007

Present: Scott M. Johnson Pat Kelley Steve Marolt Absent: David Gustafson, excused James P. Kelly, excused

Tom Smith, City Administrator Gerald Morris, Asst. City Attorney

Also attending: Chris Mattila, Pastor Robin Nice, Harold Koepp, Tim Bjella, Tom Porter, Jack Swanson

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

CONSENT AGENDA – Motion P. Kelley, second Marolt to approve the Consent Agenda item 3 (minutes of August 20 Public Hearing, August 20 Council Meeting, and August 23 Budget Work Session). <u>THE MOTION CARRIED</u>

PETITIONS, REQUESTS, & COMMUNICATIONS

Notification that the City did not receive a homeland security grant for funds for a fire truck.

August 23, 2007, letter from Tom Porter stating he would rescind his 8/9/07 letter of resignation from the airport commission and would continue his involvement on the commission if the Council was agreeable to that. Council members present agreed to accept Mr. Porter's offer. No action was taken since Council had not accepted the 8/9/07 letter of resignation.

ASSISTED LIVING AD HOC COMMITTEE REPORT – Chris Mattila and Pastor Nice were present regarding the assisted living ad hoc committee's request and recommendation that the City engage ProMatura to conduct a feasibility study for assisted living in Silver Bay at a cost of \$9,575. Discussion followed regarding ProMatura's qualifications, the need for a study, timeframe for the study, how to fund the study, and applying for a grant for the study. Member Kelley suggested delaying a decision to allow time to apply for a possible grant and time for the Economic Development Authority to discuss assisted living with developers.

Motion Marolt, second P. Kelley that the Assisted Living Ad Hoc Committee and the City Administrator pursue grants and funding for a feasibility study. <u>THE MOTION CARRIED</u> (October 1 Agenda)

Mayor Johnson acknowledged the following communications: letters from the League of MN Cities commending Representatives Bakk and Dill as 2007 legislators of distintinction; notices of an October 16 MN Fall Industry Forum and an Oct. 16-17 Airport Technical Assistance Program. He noted also that the City had applied for a grant for funds for on-call staffing for the fire department.

Mayor Johnson asked Mr. Smith for a brief report on Community Infrastructure Grants (Rural Community Development Initiative). (NEXT AGENDA)

DEPARTMENTS – CITY ATTORNEY – MARY MACDONALD LEASE AMENDMENT – The Dilly Dally Shop has requested a 3-month short term lease for an additional room, suite 102, in Mary MacDonald. Council discussed the low rental rate proposed and the possibility of leasing the space to another interested tenant at a higher rate. Member Kelley did not favor renting this suite, which had prime visibility, at a lower rate especially since it did not connect directly to the Dilly Dally Shop. Member Marolt felt the space should be rented at the higher full rate considering the costs the city was incurring for operation and improvements to the building. He felt a discussion of lease language and other issues should be held when all Council members were present.

Motion P. Kelley, second Marolt to deny the proposed Addendum to the existing Dilly Dally Shop Lease. <u>THE MOTION CARRIED</u> Member Marolt suggested the MacDonald Building Committee provide Council with input regarding leases.

LIQUOR STORE ARCHITECTURAL AND DESIGN SERVICES – Motion P. Kelley, second Marolt to adopt **Resolution 2007-#26**, **Authorizing LHB**, **Inc. Architectural Services** for design and engineering services for improvements and repairs to the Municipal Liquor Store.

Roll call vote:Member P. Kelley – ayeMember Marolt – ayeMayor Johnson – ayeAbsent for vote:Member Gustafson, Member J. KellyTHE RESOLUTION WAS ADOPTED

## **OLD BUSINESS**

AIRPORT COMMISSION—FUEL TANK - Airport Commission Chair Tom Porter said the Commission had voted unanimously to transfer aviation fuel into an existing tank without first cleaning that tank. Because City Attorney Johnson, however, has said it would be best for the City to err on the side of safety and have the tank steam cleaned before transferring the fuel, Mr. Porter said the Commission members therefore now supported having the tank cleaned. Mr. Smith said the City might be able to procure grant funds to pay for 70% of the \$700-\$800 estimated cleaning cost.

Motion Marolt, second P. Kelley to allow the airport manager to proceed to have the airport fuel tank steam cleaned at a cost not to exceed \$800. <u>THE MOTION CARRIED</u>

FY08 BUDGET—Member Marolt asked if the Council was considering putting \$77,000 into the FY08 Budget since the City had not received a grant for a new fire truck. Mayor Johnson said the Council had discussed setting up a special account for the unused \$77,000 budgeted for the truck in 2007 and leaving the 2008 budget amount at \$35,000.

Motion Marolt, second P. Kelley to set aside \$77,000 from the 2007 Budget into a Special Reserve Fund for Fire Equipment. <u>THE MOTION CARRIED</u>

LODGING TAX – Member P. Kelley reported that persons had done research on the lodging tax as requested by Council at its August 20 meeting and would have attended this meeting but the issue, which was tabled, had not been on this meeting agenda. The issue will be on the September 17 agenda.

NEW BUSINESS

LEASE LANGUAGE—MARY MACDONALD LEASES—MEMBER MAROLT – (Next Agenda)

FY08 PROPOSED BUDGET - Motion Marolt, second P. Kelley to adopt **Resolution 2007-#24, Proposed Fiscal Year 2008 Budget** in the amount of \$4,729,525.

Roll call vote:Member P. Kelley – aye<br/>Mayor Johnson – ayeMember Marolt – ayeAbsent for vote:Member Gustafson, Member J. KellyTHE RESOLUTION WAS ADOPTED

FY08 PROPOSED TAX LEVY - Motion Marolt, second P. Kelley to adopt **Resolution 2007-#25, 2007 Proposed Collectible 2008 Tax Levy** in the amount of \$769,611.

Roll call vote: Member P. Kelley – aye Member Marolt – aye Mayor Johnson – aye Absent for vote: Member Gustafson, Member J. Kelly THE RESOLUTION WAS ADOPTED

FY08 TRUTH-IN-TAXATION HEARING – Motion P. Kelley, second Marolt to set the Truthin-Taxation Hearing for 6:45 p.m. December 3 and a Continuation, if needed, for 6:45 p.m. December 17. <u>THE MOTION CARRIED</u>

Spectrum Health would like to meet with the Council and the assisted living ad hoc committee at 4:00 p.m. October 15. Member Marolt will follow up. (NEXT AGENDA)

Mayor Johnson reported to Council that he, the city administrator, the fire chief, and the police chief were seeking information on the feasibility and costs of a city-wide siren.

Motion Marolt, second P. Kelley to approve payment of \$102,059.05 paid claims and \$9,400.51 unpaid claims as presented. <u>THE MOTION CARRIED</u>

Motion Marolt, second P. Kelley to adjourn at 8:00 p.m. THE MOTION CARRIED

Scott M. Johnson, Mayor

Tom Smith, City Administrator