

CITY COUNCIL

7:00 P.M.

December 1, 2014

Present: Joanne Johnson
David Gustafson
Dustin Goutermont
Carlene Perfetto

Lana Fralich, City Administrator
Tom Byrnes, Liquor Store Manager
Mike Aho, Police Officer
Ken Vogel, Lake County News Chronicle
Dave Johnson, Curt Anderson, Gary Bromberg

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

Agenda – Liquor Store Operation was added to new business. Motion by Goutermont, second Gustafson to approve the agenda as amended. MOTION CARRIED.

Public Hearing – Liquor Store Operations – The Council reviewed Minnesota Statute 340A.602 and noted that a public hearing is required because the Liquor Store showed an operating loss in two of the last three years. Anderson asked about the expenses that led to a loss in 2011 and 2013. The Council reviewed the 2011, 2012 and 2013 Liquor Store Audited Financial Statements, and it was noted that there is a decline in sales, primarily in the on-sale, but in 2011 there was a one-time adjustment for retirement benefits due to the new GASB45 requirement, and in 2013 a chargeback to the Street Department for snowplowing. The Mayor gave three calls for public comments, and no further comments were brought forward and there were no written comments.

Public Comments, 2015 Budget – The 2015 budget and levy were reviewed. Anderson asked about the amount of the levy increase. It was noted that there is a tax levy increase of 2.0%. The Council reviewed the changes in the 2015 budget, compared to the 2014 budget. Anderson further asked about the measurement of the new fire truck. The Council reviewed a letter from the County HRA regarding a matching grant for the housing mini grant program. The City received no written comments. The Mayor gave three calls for public comments, and no further comments were brought forward.

Consent Agenda – Motion by Goutermont, second Perfetto to approve the minutes of the November 17, 2014 regular meeting. MOTION CARRIED.

Petitions, Requests and Communications

Tree Lighting Thank You – The Council thanked the Boy Scouts, Girl Scouts, North Shore Area Voices, North Shore Federal Credit Union, VanHouse Construction and City staff for their participation at this event which was held earlier on this date.

Police Department Donation – Motion by Perfetto, second Gustafson to accept a \$200 donation from Gary and Vicky Stevens for the Police Department. MOTION CARRIED. The Council thanked the Stevens for this donation.

Lake Superior Barrels Project Presentation – The Council reviewed information about a December 2 presentation at the Library concerning a barrel recovery project conducted by the Red Cliff Band of Lake Superior Chippewa.

Comprehensive Plan Surveys – The Council reminded City residents that the public surveys regarding the Comprehensive Plan are due into City Hall by December 10.

City Administrator

Resolution 2014- 41 – The Council reviewed the Final 2015 Budget, which totaled \$7,671,345 revenues and \$8,644,695 expenditures. Motion by Goutermont, second Perfetto to adopt Resolution 2014-41, Final 2015 Budget.

Member Gustafson – aye
Member Perfetto – aye

Member Johnson – aye
Mayor Johnson – aye

RESOLUTION 2014-41 was ADOPTED. 4 aye, 0 nay

Motion by Perfetto, second Goutermont to accept a \$5,000 matching fund grant from the Lake County Housing and Redevelopment Authority for the housing mini grant program. MOTION CARRIED.

Resolution 2014- 42 – The Council reviewed the 2015 Tax Levy totaling \$1,176,680. Motion by Perfetto, second Goutermont to adopt Resolution 2014-42, Final 2014 Collectable in 2015 Tax Levy.

Member Gustafson – aye
Member Perfetto – aye

Member Johnson – aye
Mayor Johnson – aye

RESOLUTION 2014-42 was ADOPTED. 4 aye, 0 nay

Lake County Recreation Board Representative – The Parks and Recreation Board recommends appointing Jenny Goutermont to this board, and Nathan Stadler as the alternate. Motion by Gustafson, second Perfetto to appoint Jenny Goutermont as the City representative to the Lake County Recreation Board, and to appoint Nathan Stadler as the alternate representative. MOTION CARRIED. The Council thanked Carol Youngberg for her years of service in this position.

Marina Boat Show – The Parks and Recreation Board recommends sending the Marina Manager to the Duluth and Minneapolis boat shows, and it was noted that these items are in the 2015 budget, and that donations will be sought to offset these expenses. The Council reviewed a cost estimate for this project and commented on the nice display. Motion by Goutermont, second Gustafson to approve for the Marina Manager to attend the Minneapolis Boat Show on January 22-25, and the Duluth Boat Show on February 18-22. MOTION CARRIED.

Resolution 2014- 43 – The Council reviewed three bids that were received for the Water Dept. electrical generator project, and it was noted that the Public Utilities Commission recommends approval of the bid from Benson Electric. Motion by Perfetto, second Gustafson to adopt Resolution 2014-43, awarding of contract, for \$249,700, to Benson Electric Company for the Water Treatment Generator Improvements.

Member Gustafson – aye
Member Perfetto – aye

Member Johnson – aye
Mayor Johnson – aye

RESOLUTION 2014-43 was ADOPTED. 4 aye, 0 nay

City Attorney – The attorney was unable to attend this meeting, and no business was presented on his behalf.

OLD BUSINESS – No old business was presented.

NEW BUSINESS

Board / Commission Reappointments – The Council thanked all of the volunteer board and commission members, and there was discussion about the open positions on the Liquor Control Commission, Public Utilities Commission, EDA and the Public Works Commission. Motion by Goutermont, second Gustafson to reappoint Marie Frey to the Cable TV Commission, Dave Colby to the Public Utilities Commission, Ken Smith to the Planning and Zoning Commission, Mary Tobey to the Library Board and Nathan Stadler and Jenny Goutermont to the Parks and Recreation Board. MOTION CARRIED. The Council thanked George Pope for his service on the EDA, Carol Youngberg for her service on the Parks and Recreation Board and Brock Ernst for his service on the Liquor Control Commission.

Liquor Store Operation – The Council reviewed the discussion from the public hearing. Motion by Perfetto, second Gustafson for the City to continue to operate a municipal on-sale and off-sale liquor store. MOTION CARRIED.

Claims – Motion by Goutermont, second Perfetto to approve payment of \$81,154.66 paid claims and \$37,944.06 in unpaid claims. MOTION CARRIED.

Motion by Gustafson, second Perfetto to adjourn at 7:30 p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

Joanne Johnson, Mayor

Lana Fralich, City Administrator