

## CITY COUNCIL

7:00 P.M.

April 4, 2011

Present: Mayor Scott M. Johnson  
 Joanne Johnson  
 Steven Marolt  
 David Gustafson

Carlene Perfetto – excused

Lana Fralich, City Administrator  
 Pete Morris, City Attorney  
 Susan Michaels, Mabel Tarlton, Northshore Area Partners  
 Michael Bosl, KDV Auditors  
 Matt Suoja, Lake County News Chronicle

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

**Agenda** – Resolution 2011-14 was added to Administrator. Motion by Gustafson, second Marolt to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Attendance by Matt Suoja was added to the March 21 minutes. Motion by J Johnson, second Marolt to approve the minutes of the March 21, 2011 Council meeting as amended. MOTION CARRIED.

**2010 Audit Presentation** – Bosl presented the 2010 year-end audit prepared by KDV. The City received a clear and unqualified opinion from an independent auditor, which is the highest it can achieve. The Council reviewed the audit and thanked the administrative staff for their work on the audit.

### **Petitions, Requests and Communications**

**Northshore Area Partners** – Michaels presented the services that this organization provides to help seniors live independently in their own homes. There was discussion about the funding for this organization, and about an upcoming fundraising event.

**NorthEast Service Cooperative** – The Council reviewed information about a groundbreaking ceremony for the Middle Mile Fiber Optic Project, April 20, 1:00p.m. in Mountain Iron.

### **City Administrator**

**Northland Securities, memorandum of understanding** – The Council reviewed the Memorandum Of Understanding that provides the scope of services that Northland Securities will provide. The attorney has reviewed this memorandum. Motion by J Johnson, second Gustafson to approve the Memorandum Of Understanding between Northland Securities and the City. MOTION CARRIED.

**Resolution 2011-13 Water/Sewer rate change** – Motion by J Johnson, second Gustafson to adopt Resolution 2011-13, establishing water and sewer rates.

Member Marolt – aye Member Johnson – aye Member Gustafson – aye

Mayor Johnson – aye Member Perfetto – absent

RESOLUTION 2011-13 was ADOPTED. 4 aye, 0 nay, 1 absent

**Mary MacDonald Building** – The Council was informed that the appraisal for the building was received. It was noted that two interested parties have contacted the City about the sale of the building. Mayor Johnson and Fralich have met with these parties to determine if they remained interested and recommend pursuing the sale of the building. Motion by Gustafson, second Marolt for Mayor Johnson, Councilor Gustafson and the City Administrator to pursue the sale of the Mary MacDonald Business Center.

MOTION CARRIED.

**Resolution 2011-14** – The Council reviewed an amended Energy Grant Agreement with the Minnesota Office of Energy Securities for the Mary MacDonald Business Center. It was noted that this amendment increases the total agreement amount to \$100,000 to cover the costs of both the boiler and window replacement, but would not include exterior door replacement. Motion by Marolt, second Gustafson to adopt Resolution 2011-14 authorizing to amend the grant agreement with the Minnesota Office of Energy Securities for the rehabilitation of the boilers and window replacement at the Mary MacDonald Business Center as outlined in agreement B46599 ( Amendment #4 )

Member Marolt – aye Member Johnson – aye Member Gustafson – aye

Mayor Johnson – aye Member Perfetto – absent

RESOLUTION 2011-14 was ADOPTED. 4 aye, 0 nay, 1 absent

**City Attorney** – No further business was presented by the City Attorney.

OLD BUSINESS – No other old business was presented.

NEW BUSINESS – No other new business was presented.

**Claims** – Motion by J Johnson, second Marolt to approve payment of \$89,845.80 in paid claims and \$17,440.70 in unpaid claims. MOTION CARRIED.

Motion by Marolt, second J Johnson to adjourn at 7:48p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

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Scott M. Johnson, Mayor

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Lana Fralich, City Administrator