

CITY COUNCIL

7:00 P.M.

April 5, 2010

Present: Scott M. Johnson
 Carlene Perfetto
 Joanne Johnson
 Steven Marolt

David Gustafson - excused

Lana Fralich, City Administrator
 Pete Morris, City Attorney
 Matt Suoja, Lake County News Chronicle
 Amy Skaalerud, KDV Auditors
 Phil Minkkinen, Joe Nicklay, Cyndi Ryder, Patrick Wilson, Leo Baben,
 and Carol Youngberg, Lake Superior School District

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

Agenda – Resolution 2010-22 was added to Eco-Industrial Park; Resolution 2010-5 was added to Administrator. Motion by Marolt, second Perfetto to approve the agenda as amended. MOTION CARRIED.

Consent Agenda – Motion by J Johnson, second Marolt to approve the minutes of the March 15, 2010 regular Council meeting, the minutes of the March 22, 2010 special Council meeting, and the December 2009 Financial Report. MOTION CARRIED.

PUBLIC PRESENTATIONS

Lake Superior School District – Minkkinen presented information regarding a May 18 special mail-in election to approve an operating levy for the school district. The three questions that will appear on the ballot were reviewed. Cuts in State funding for the school district were discussed, as were the effects that this levy would have on the school district, the City and property values.

2009 Year End Audit Review – Skaalerud presented the 2009 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

2010 LGA Cuts – Fralich gave a report on the recent legislative actions that will result in an additional loss of \$56,000 in Local Government Aid for 2010. This is in addition to the already planned \$110,000 loss. It was also noted that per the HF 1671 House Report, it does not appear the City would be losing any additional funding as the City would be at the minimum formula for 2011 but the city should still remain cautious.

Governor's Fit City Designation – The State has approved the City's designation as a Fit City, and there was discussion about ordering signs for this project and the cost of the signs.

Cook Assisted Living Open House Invitation – Spectrum health will hold an open house at their new facility in Cook, MN, on April 8. Because this facility is similar to the proposed facility to be built within the City, Marolt and Perfetto expressed interest in attending this event. Fralich reported that the soil testing at the Bell Circle site is complete, and preliminary layout plans are forthcoming.

CITY ADMINISTRATOR

MMCI Training, City Administrator – The Council reviewed the information on this training seminar, and it was noted that this is the last year of a three-year training program. A \$250 scholarship has been received to help pay for the \$410 registration. Motion by Perfetto, second Marolt, to approve for Fralich to attend the MMCI Training, July 12-16 in Brooklyn Center for \$160 + \$30 banquet fee, and \$99 per night for five nights, plus taxes and fees, plus usual travel expenses. MOTION CARRIED.

Eco-Industrial Park – There was discussion on holding a public informational meeting about this project in May. The MPCA grant for the feasibility study was also discussed. Rep. Dill has informed the City that the State will fund \$298,870 for construction of a Bio-Energy Facility (greenhouse). There was also discussion about an IRR grant application submitted for this portion of the project, and the proposed application for \$450,000 through the LCCMR program.

Resolution 2010- 22 –Motion by Marolt, second J Johnson to adopt Resolution 2010-22 authorizing to submit application to the Legislative-Citizen Commission of Minnesota Resources for the Eco-Industrial Park – Warf Greenhouse Project

Member Marolt – aye

Member Johnson – aye

Member Perfetto – aye

Mayor Johnson – aye

Member Gustafson – absent

RESOLUTION 2010-22 was ADOPTED. 4 aye, 1 absent

AWAIR Safety Training – The Council reviewed a proposal for Hibbing Community College to hold the annual AWAIR training on April 14. The cost for this training will be \$834. The City of Beaver Bay and the MN Veterans Home will be contacted to see if their employees would like to participate in this training, and share in the costs. The Safety Commission recommends approval for this training. Motion by J Johnson, second Marolt to approve the AWAIR training, with Hibbing Community College on April 14, for \$834. MOTION CARRIED.

Resolution 2010- 20 –Motion by J Johnson, second Marolt to adopt Resolution 2010-20 authorizing to execute the Minnesota Department of Transportation grant agreement for airport improvements excluding land acquisition.

Member Marolt – aye

Member Johnson – aye

Mayor Johnson – aye

Member Perfetto – nay

Member Gustafson – absent

RESOLUTION 2010-20 was ADOPTED. 3 aye, 1 nay, 1 absent

Resolution 2010- 21 – Motion by Marolt, second J Johnson to adopt Resolution 2010-21 authorizing award of contract to Struck and Irwin Paving for the crack-sealing at the Wayne Johnson, City of Silver Bay Municipal Airport.

Member Marolt – aye

Member Johnson – aye

Mayor Johnson – aye

Member Perfetto – nay

Member Gustafson – absent

RESOLUTION 2010-21 was ADOPTED. 3 aye, 1 nay, 1 absent

Banks Boulevard Project, Mike Miller Engineering – The Council reviewed a proposal from Mike Miller engineering in preparing documentation for the Drinking Water Revolving Loan portion of the project. It was noted that IRR funding is not available at this time, but may become available later in 2010. The Public Utilities Commission recommends authorizing up to \$3,690 for this proposal. It was noted that these funds would come from the Water Fund reserve monies. Motion by Perfetto, second Marolt to authorize up to \$3,690 for Mike Miller Engineering to prepare documentation for Drinking Water Revolving Loan funding for the Banks Blvd. reconstruction project. MOTION CARRIED.

Caterpillar Loader Purchase – The Council reviewed a proposal to purchase a front-end loader, through the State bidding process, and a financing quote from the Lake Bank. The current loader would then be transferred to the Water Dept., and the current Water Dept. loader would be declared as surplus property. It was noted that this item is in the budget as part of the Vehicle Replacement Schedule. The Public Works Commission recommends the purchase a front-end loader and declaring the old loader as surplus property. Motion by Marolt, second Perfetto to purchase a front-end loader from Ziegler Inc. for \$ 119,041.65 plus banking fee. MOTION CARRIED. Motion by Perfetto, second Marolt to declare the 1976 Caterpillar loader as surplus property. MOTION CARRIED.

Police Training, Chad Streiff – The Council reviewed a letter from the Police Chief requesting to send Officer Streiff to a drug investigative training seminar, in Granite Falls on May 18-20. It was noted that tuition and lodging are provided at no expense to the City. There was discussion on drug enforcement within the City, and a drug enforcement task force. Motion by Perfetto, second J Johnson to approve for Officer Streiff to attend the drug investigative training seminar, in Granite Falls on May 18-20, with usual travel expenses. MOTION CARRIED.

ReUnion Hall rental fees – The Liquor Control Commission is recommending to the Council to set the rental fee for the ReUnion Hall at \$500 for all events, except for the \$50 minimum rental events. It was noted that the City is not able to cover expenses at many of the cash bar events, which currently charges \$350. Motion by Perfetto, second Marolt to amend Resolution 2010-5, a Resolution establishing City Fees, by setting the rental fee for the ReUnion Hall at \$500 for all events, except for the \$50 minimum rental

events effective 4/6/10 and all individuals who reservations prior to this date would be grandfathered in under old rate.

Member Marolt – aye

Member Johnson – aye

Mayor Johnson – aye

Member Perfetto – aye

Member Gustafson – absent

RESOLUTION 2010-5a was ADOPTED. 4 aye, 1 absent

CITY ATTORNEY – No other business was presented by the attorney.

OLD BUSINESS

Bay Days, ATV Mud Run – It was reported that the Silver Trail Riders does not have the equipment to conduct the mud run event. There was discussion on leasing City equipment, at a minimal cost, for this event, with qualified City employees donating their time to operate this equipment. The attorney and Council expressed concerns about not having a policy in place to lease City equipment, and about being in competition with local businesses that hire out for this type of work. The Council reiterated its position from the March 15 meeting that City equipment could be used before the event to prepare the property, and after the event to bring the property back to its former condition, but to ask that the sponsoring organization provide their own equipment during the event. This matter was referred back to the Silver Trail Riders and the Bay Days Committee.

NEW BUSINESS

Budget Workshop Meeting – Motion by Perfetto, second Marolt to hold a City Budget Workshop on Monday, April 19 at 6:00p.m. MOTION CARRIED.

Claims – Motion by Perfetto, second J Johnson to approve payment of \$90,807.48 paid claims, and \$29,549.67 in unpaid claims. MOTION CARRIED.

Motion by Marolt, second Perfetto to adjourn at 8:34p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

Scott M. Johnson, Mayor

Lana Fralich, City Administrator