

**CITY COUNCIL**

7:00 P.M.

April 6, 2009

Present: Scott M. Johnson  
David Gustafson  
Pat Kelley  
Steven Marolt  
Carlene Perfetto

Lana Fralich, City Administrator  
Gerald Morris, Asst. City Attorney  
Steve Wischmann, KDV Auditors

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

Mayor Johnson acknowledged the many people who have worked hard and done a great job in dealing with the emergency situation that the March 23 ice storm created. He acknowledged the work of the many City employees and volunteers, as well as the many area businesses and residents who have helped in this emergency. He also thanked Lake County for their assistance.

**Agenda** – There were three additions to the agenda; Administrator Training under City Administrator’s report, Airport Arrival/Departure building under Old Business, and Criminal Complaint under New Business. Motion by Kelley, second Marolt to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Motion by Perfetto, second Gustafson to approve the consent agenda, which consists of the minutes of the March 16 Regular Council meeting, the March 24 Emergency meeting, the March 26 Special meeting, the April 2 Special meeting, and the December 2008 Treasurer’s Report. MOTION CARRIED.

**Public Presentations**

**K.D.V. – 2008 Audit Presentation** – Wischmann presented the 2008 year-end audit prepared by KDV. The City has seen an increase in net assets, due mainly to the grant for the Mary MacDonald center and the capital improvements to the Liquor Store. The City has seen a surplus in the General Fund, despite cuts to Local Government Aid, and expenses came under budget for 2008. The City funds that still show a small deficit are the Marina, the Re-Union Hall and the Airport. The Liquor Store showed an increase. The Sewer fund and the Water fund showed a slight decrease, after depreciation expenses. There was discussion that there needs to be adjustments between and Water and Sewer funds, and the City should account for a portion of depreciation expense. Overall, there were no significant findings, and no significant audit adjustments.

The City received a clear and unqualified opinion from an independent auditor, which is the highest it can achieve. Fralich acknowledged the great work done by Cheryl Marolt, in the auditing process.

#### PETITIONS, REQUESTS and COMMUNICATIONS

**Proclamation for the ATV Parade** – The proclamation for the ATV Parade on June 13, 2009 was read. Motion by Perfetto, second Marolt to adopt the Proclamation for the ATV Parade in Silver Bay on June 13, 2009. MOTION CARRIED.

**After Prom Committee** – A letter from the After-Prom Committee was reviewed. It was noted that this item is not in the City Budget, and the City would contribute by offering the use of the ReUnion Hall for the event. No further action taken.

**Department of Agriculture** – Mayor Johnson read a letter that He had received from the Department of Agriculture regarding the aerial treatment for Gypsy moths in Lake County. The letter will be posted.

#### DEPARTMENTS

##### City Administrator

**Resolution 2009-22** – Resolution authorizing the City of Silver Bay to enter into a grant agreement with the Duluth Superior Area Community Foundation for the \$2,200.00 grant from the Silver Bay Charitable Fund to be used for the Prairie Fire Theatre contract for the *Snow White and the Seven Dwarfs* theater production within the City Parks and Recreation Department and authorize the City Administrator to sign the grant agreement.

Motion by Gustafson, second Perfetto to adopt Resolution 2009-22.

Roll call vote:

Member Gustafson – aye

Member Perfetto – aye

Member Kelley – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED 5 aye, 0 nay.

##### Mary MacDonald project

**Asbestos Removal** – There is a small amount of asbestos material to be removed from the Mary MacDonald Center in the renovation project. This work needs to be contracted separately from the main contract. Two bids have been received; from A.C.C.T. of Cloquet for \$1,200, and from Grivette Environmental Management of Virginia, MN for \$700. The Mary MacDonald committee has recommend to the City Council to accept the bid from Grivette Environmental Management for the removal of asbestos material. Motion by Kelley, second Marolt to accept the bid from Grivette Environmental Management for \$700 for the removal of asbestos material from the Mary MacDonald Center. MOTION CARRIED.

**Change Orders** – The Mary MacDonald Committee has discussed the need to administer change orders in a timely fashion, and has recommend to the City Council that all change orders up to \$4,000 may be done by the approval of the Mayor. Motion by Perfetto, second Marolt to approve that all change orders up to \$4,000 on the Mary MacDonald rehabilitation project, may be done by the approval of the Mayor. MOTION CARRIED.

**Part-time Police Officer** – It was reported that Steven Rohloff has completed the P.O.S.T. training and application, and that his starting day will be April 7, 2009.

**Safety Training** – The Safety Committee has recommend to the Council for the City to sign the agreement with Hibbing Community College for \$1,600, to conduct safety training which includes, AWAIR, Chainsaw, and Competent Persons training on April 16, 2009. The AWAIR training is mandatory, while the other training is as needed. The Vets Home and the City of Beaver Bay will be contacted.

Motion by Perfetto, second Marolt to enter into contract with Hibbing Community College, for \$1,600, to conduct safety training which includes AWAIR, Chainsaw, and Competent Persons training, on April 16. MOTION CARRIED.

**MN State Fire Chiefs Association** – The MSFCA has sent an e-mail asking for assistance from fire departments from across the State to assist in the flooding damage in the Red River Valley. There was a question as to whether the City will have to pay the wages of the fire fighters that help with this assistance. Motion by Kelley, second Gustafson to authorize John Fredrickson to send personal to the Red River area to assist in the flooding damage, as long as all expenses, including wages, are not an expense to the City. MOTION CARRIED.

**Resolution 2009-23** – Authorization to Execute Minnesota Department of Natural Resources Cooperative Agreement for Fire Protection Management and authorize the Fire Chief to sign the agreement. It was noted that the main change to this agreement is a \$350 reimbursement to the city for wildfire response.

Motion by Kelley, second Gustafson to adopt Resolution 2009-23.

Roll call vote:

Member Gustafson – aye

Member Perfetto – aye

Member Kelley – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED 5 aye, 0 nay.

**Water School Operators Training** – Larry Carter and Jerry LaVigne, from the Water Department, have mandatory training that they need to keep their licenses. A Water Operators School will be held on May 13-15 in Ely, and they request to attend this training. Motion by Perfetto, second Gustafson to approve

for Carter and LaVigne to attend the Water Operators School on May 13-15 in Ely, Minnesota, with two overnight stays. MOTION CARRIED.

**Police Training** – There is a Basic Sexual Assault Investigations training on May 5 in Hermantown. Chief Ron Johnson is requesting that Officer Starkovich attend with normal expenses paid. Motion by Marolt, second Kelley to approve Officer Starkovich to attend the Basic Sexual Assault Investigations training on May 5 in Hermantown. MOTION CARRIED.

**Administrator Training** – Fralich requests to attend the Minnesota Municipal Clerks Institute in Minneapolis on July 13-17, 2009. It will be the second year of a three-year course and that it was included in the 2009 budget. The cost of the registration is normally \$410; however, the City has received a \$250 grant from the Municipal Clerks and Finance Officers Association of Minnesota to help offset these costs. Motion by Perfetto, second Kelley to approve for Fralich to attend the Minnesota Municipal Clerks Institute in Minneapolis on July 13-17, 2009 with normal expenses paid. MOTION CARRIED.

**City Attorney** – Morris stated that when there is a violation of City Code, the person in violation has an option of paying the fine or requesting a hearing with the hearing officer. If no action is taken by the person in violation, the City takes action in District Court, where the City Attorney can make a suggestion to the court about the fine to be administered. Currently the fine is only at \$15, and this does not cover the City's costs. Morris suggested that the Council authorize him to make a suggestion of a \$50 fine. There was discussion about if violations were misdemeanors or petty misdemeanors, and about repeat offenders. Morris stated that most offences were handled as petty misdemeanors. Motion by Marolt, second Gustafson to authorize the City Attorney to make a suggestion to the District Court of a \$50 fine for violations of City Code. MOTION CARRIED.

## OLD BUSINESS

**Ice Storm Update** – The events of the ice storm, and the local emergency was discussed. The local emergency is still in effect, and the Council will have a special meeting on April 9 to assess the current situation. The City Administrator has met with FEMA about getting reimbursed for the costs of the emergency. It was noted again that the City employees have been working hard on this situation, and the residents of the City have been very patient and helpful in this crisis situation.

**Airport Arrival / Departure Building** – An e-mail from the Friends of North Shore Aviation was read, stating that half of the matching funds money had to be returned, but that additional funds could be raised if the Council would commit to building this building. A report from the engineers on this project was read, stating the requirements for the space that is mandatory for this type of building. The Council took no action on this matter.

## NEW BUSINESS

**Criminal Complaint** – The Council held a closed meeting at 6:00p.m. on April 6, 2009 to discuss a Criminal Complaint being considered against a City employee. Motion by Perfetto, second Kelley to proceed with a criminal complaint against a City employee, and to authorize the Mayor to sign the complaint. Johnson, Kelley, Marolt and Perfetto voted aye. Gustafson voted nay. MOTION CARRIED.

**Claims** – Motion by Perfetto, second Kelley to approve payment of \$73,156.16 paid claims and \$43,589.12 unpaid claims as presented. MOTION CARRIED.

Motion by Kelley, second Perfetto to adjourn at 8:20 p.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