

**CITY COUNCIL**

7:00 P.M.

August 3, 2009

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

Lana Fralich, City Administrator  
Gerald Morris, City Attorney  
Jackie Huset

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

**Agenda** – Bay Days was added to Old Business. Motion by Marolt, second Kelley to approve the agenda as amended. MOTION CARRIED.

**Consent agenda** – Motion by Perfetto, second Gustafson to approve the minutes of the July 20 Budget Workshop meeting, and the July 20 Council meeting. MOTION CARRIED.

**Petitions, Requests and Communications**

A copy of a letter from Al and Jackie Huset, at 50 Arthur Circle was reviewed, asking that a boulevard tree that was damaged in the ice storm be removed. Huset presented her reasons for asking for the removal. It was noted that Rick's Tree Service and the Public Works Supt. did not recommend removing this tree. There was discussion on this tree, and other boulevard trees that were damaged in the storm, as well as discussion about City liability regarding boulevard trees. Motion by Perfetto, second Kelley to deny the request to remove a boulevard tree at 50 Arthur Circle. MOTION CARRIED.

A letter from the Gitchi Gami North Shore Bike ride was reviewed. The Ride will be held on August 15, and riders will be riding along Outer Drive and Penn Blvd.

Mayor Johnson presented information about a Flyer Airtop Conference in Mankato in September, regarding maintenance issues at the Airport. This information will be forwarded to the Public Works Supt.

**City Administrator**

**Resolution 2009-36 MNDOT Agreement for the Airport Arrival / Departure Building.** Motion by Gustafson, second Kelley to adopt Resolution 2009-36.

Authorizing to execute the Minnesota Department of Transportation Grant Agreement for Airport improvement excluding land acquisition.

Roll call vote:

Member Gustafson – aye	Member Perfetto – nay
Member Kelley – aye	Member Marolt – nay
Mayor Johnson – aye	

THE RESOLUTION WAS ADOPTED. 3 aye, 2 nay

**Resolution 2009-37 FAA Agreement for the Airport Arrival / Departure Building.** Motion by Kelley, second Gustafson to adopt Resolution 2009-37. Authorizing to execute the Federal Aviation Administration, on behalf of the United States, the Grant Agreement for the construction of the Arrival/Departure Building.

Roll call vote:

Member Gustafson – aye	Member Perfetto – nay
Member Kelley – aye	Member Marolt – nay
Mayor Johnson – aye	

THE RESOLUTION WAS ADOPTED. 3 aye, 2 nay

**Resolution 2009-38 Awarding the contract to Home Menders Inc. for the construction of the Airport Arrival / Departure Building.** Motion by Kelley, second Gustafson to adopt Resolution 2009-38. Authorizing award of contract to Home Menders Inc. for the construction of the Arrival/Departure Building at the Wayne Johnson – City of Silver Bay Municipal Airport.

Roll call vote:

Member Gustafson – aye	Member Perfetto – nay
Member Kelley – aye	Member Marolt – nay
Mayor Johnson – aye	

THE RESOLUTION WAS ADOPTED. 3 aye, 2 nay

**Resolution 2009-39 RS&H Work Plan Agreement for the Airport Arrival / Departure Building.** Motion by Gustafson, second Kelley to adopt Resolution 2009-39. Authorizing professional services agreement with Reynolds, Smith and Hills, Inc. work order number 2009-01, RS&H Project number 214-6875-008, for the construction of the Arrival/Departure Building at the Wayne Johnson – City of Silver Bay Municipal Airport.

Roll call vote:

Member Gustafson – aye	Member Perfetto – nay
Member Kelley – aye	Member Marolt – nay
Mayor Johnson – aye	

THE RESOLUTION WAS ADOPTED. 3 aye, 2 nay

**Resolution 2009-40 IRR Grant Agreement – Community Business Partnership.** The City has been awarded \$25,000 grant, and the EDA recommends \$75,000 matching funds transferred from the Storefront program. Motion by Perfetto, second Marolt to adopt Resolution 2009-40. Authorizing the

City of Silver Bay to enter into a grant agreement with the State of Minnesota through the Iron range Resources Office of the Commissioner for the Community Business Partnership Grant, authorize the Mayor and City Administrator to sign the Grant Agreement, and transfer \$75,000 for the 407 IRRRB Storefront Renovation Fund to a new IRR Community Business Partnership Fund as a match requirement for the Grant.

Roll call vote:

Member Gustafson – aye  
 Member Kelley – aye  
 Mayor Johnson – aye

Member Perfetto – aye  
 Member Marolt – aye

THE RESOLUTION WAS ADOPTED. 5 aye, 0 nay

**Resolution 2009-41 City Fine Schedule.** The City Fine Schedule that was originally adopted in Resolution 2006-05 was reviewed. On July 16 an administrative citation was issued to a peddler, but there is no fine established for this violation in the Fine Schedule. There was discussion about the Fine Schedule and the City Code Section 340. It was recommended that a first violation fine be set at \$50 for failure to obtain a permit and \$200 for the second violation. Motion by Gustafson, second Kelley to adopt Resolution 2009-41, a resolution to amend the schedule of fines from Resolution 2006-5 pursuant to the Silver Bay City Code, Section 130, Subdivision 3, that would include a \$50 fine for the first violation for failure to obtain a permit, \$200 fine for the second violation and with the addition of “any and all other violations that are deemed appropriate for Administrative Citations be given a fine of \$50.” to be added to the Fine Schedule.

Roll call vote:

Member Gustafson – aye  
 Member Kelley – aye  
 Mayor Johnson – aye

Member Perfetto – aye  
 Member Marolt – aye

THE RESOLUTION WAS ADOPTED. 5 aye, 0 nay

Motion by Kelley, second Perfetto to not dismiss Citation #794, and to impose a \$50 fine for the violation. MOTION CARRIED.

**Police Dept. New Flooring** – The flooring in the Police Dept. needs to be replaced, due to previous water damage. It was noted that this item is in the budget, however tests have shown that the old flooring contains asbestos that will need to be properly removed, at an additional cost that is not in the budget. Fralich stated that the budget could be amended to cover these additional costs. Bids for the asbestos removal and installing the new tile floor were reviewed and discussed. Motion by Perfetto, second Marolt to award ACCT Inc. a contract for \$2,740 to remove asbestos floor tiles in the Police Dept. MOTION CARRIED. Motion by Perfetto, second Marolt to award Innovative Stonework Inc. a contract for \$4,170 to install new floor tile in the Police Dept. MOTION CARRIED.

**City Attorney**

**North Shore Stuff Settlement Agreement** – The Council reviewed a settlement agreement between North Shore Stuff, a former tenant at the Mary MacDonald Center, and the City, for the City to take possession of a commercial mixer in exchange for a \$2,350 settlement that is due to the City. It was noted that this mixer appears to be the only asset of North Shore Stuff, and it is valued at above the settlement amount. Motion by Marolt, second Kelley to accept the Settlement Agreement between North Shore Stuff and the City. MOTION CARRIED.

## OLD BUSINESS

**Eco-Industrial Park Progress Report** – Fralich reported on the progress of this project. The purposes of this project were reviewed, which are: creating jobs, diversifying the job base and expanding the tax base. The City has made application to the American Reinvestment and Recovery Act Grant program to help with the cost of construction for development of a \$15 million project. The potential for private and City investment into this project was discussed.

**Bay Days** – Gustafson reported that the Bay Days Celebration of July 24-26 was very successful, and thanked all those who volunteered. Funds that are left in the Bay Days account were discussed, as well as forming an event committee for all community events.

## NEW BUSINESS

**Banks Boulevard Reconstruction** – A report from Mike Miller Engineering regarding the high pressure water line underneath Banks Blvd. and the reconstruction of the Boulevard was reviewed and discussed.

**Claims** – Motion by Perfetto, second Marolt to approve payment of \$102,426.27 paid claims and \$151,850.85 unpaid claims as presented. MOTION CARRIED.

Motion by Perfetto, second Marolt to adjourn at 7:58 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