

**CITY COUNCIL**

7:00 P.M.

December 6, 2010

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

Lana Fralich, City Administrator  
Pete Morris, City Attorney  
Matt Suoja, Lake County News Chronicle  
Bruce Carman, David Abazs, Mike Mageau, Baylor Radtke, AR Klemmer

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

**Agenda** – Tree Lighting Ceremony and Fire Department Officers were added to New Business. Motion by Marolt, second Perfetto to approve the agenda as amended.  
MOTION CARRIED.

**Consent Agenda** – Motion by Perfetto, second Gustafson to approve the minutes of the November 15, 2010 regular Council meeting, and the October 2010 Treasurer's Report. MOTION CARRIED.

**PETITIONS, REQUESTS and COMMUNICATIONS**

**Public Comment on 2011 Budget and Levy** – The budget and levy were reviewed. The City had received no written comments, three calls for public comments were made; however, no members of the public made comment.

**Public Presentation, Bio-Energy facility** – The design team of Abazs, Mageau, Radtke, and Klemmer presented a conceptual design and system overview report for the bio-energy / greenhouse project. There was discussion about this project and the details of the proposed operation of the facility. Motion by J Johnson, second Marolt to accept the conceptual design for the bio-energy / greenhouse project, and to make final payment to the design team. MOTION CARRIED.

**ATV Parade** – The Council reviewed an e-mail asking for the City's support to pursue organization of an ATV parade in 2012. There was discussion on the economic impact of the prior parades, and concerns about traffic and issues relating to the parade going through residential areas. Motion by Marolt, second Perfetto to support the efforts of the Silver Trails Riders Association to pursue an ATV parade in 2012.  
MOTION CARRIED.

**LakeView Memorial Hospital Support Letter** – The Council reviewed a letter from LakeView Memorial Hospital asking the City to send a letter of support for a Minnesota Medicare Rural Hospital Flexibility Grant to become a Level 4 trauma hospital. Motion by Perfetto, second J Johnson for the Mayor to sign a letter of support for LakeView Memorial Hospital to receive a Minnesota Medicare Rural Hospital Flexibility Grant. MOTION CARRIED.

CITY ADMINISTRATOR

**Board and Commission Appointments** – The Council thanked Tom Porter for his service on the Airport Commission, Dennis Herdina and Mary Tobey for their service on the Library Board, all of the current board and commission members, and the new members who are willing to serve. Motion by Marolt, second Gustafson to reappoint Kay Colby to the Library Board, Charles Rathbone to the Planning and Zoning Commission, Wade LeBlanc and Lloyd Houle to the Economic Development Authority, Mervel Hanson to the Public Utilities Commission, Wayne Billings to the Parks and Recreation Board; and to appoint Linda Sathre and Morris Manning to the Library Board, and Dustin Goutermont to the Liquor Control Commission. MOTION CARRIED.

**Day at the Capital** – The Council reviewed information about the Day at the Capital event on February 16 and 17. There was discussion on who should attend, and that the main issues that would be brought forward are the needed improvements at the Mary MacDonald Center and the Eco-Industrial Park project. Marketing expenses will be brought forth at a future date. Motion by J Johnson, second Perfetto to approve for the Mayor, Administrator and Eco-Industrial Park Project Coordinator to attend the Day at the Capital event in St. Paul on February 16 and 17, with usual expenses including \$130 per person per night motel, plus tax, for two nights; reimbursement for the actual costs for a dinner with area legislators and the legislators breakfast. MOTION CARRIED.

**KDV Audit Agreement** – The Administrator has done comparisons with similar City Audits, and has come up with a proposed three-year agreement with KDV. It was noted that the City has been pleased with KDV's audits in the past years. Motion by Perfetto, second Gustafson to approve a three-year audit agreement with KDV effective for 2010, 2011 and 2012 audit years. MOTION CARRIED.

**Resolution 2010-62** – The Council reviewed the Final 2011 Budget Expenditures, which totaled \$5,883,536, and noted budget highlights for 2011. It was noted that although there are one time expenditures and adjustments made to the budget, the overall operational levy for the General Fund was less than 1%. Motion by Perfetto, second Marolt to adopt Resolution 2010-62, Final 2011 Budget Expenditures.

Member Marolt – aye

Member Johnson – aye

Member Perfetto – aye

Member Gustafson – aye

Mayor Johnson – aye

RESOLUTION 2010-62 was ADOPTED. 5 aye, 0 nay

**Resolution 2010-63** – The Council reviewed the Final 2010 Tax Levy totaling \$994,345, and noted that this 4.9% increase was offset by the increase in the net tax capacity estimated by Lake County to be 7.6%. Motion by Marolt, second J Johnson to adopt Resolution 2010-62, Final 2010 Collectable in 2011 Tax Levy.

Member Marolt – aye

Member Johnson – aye

Member Perfetto – aye

Member Gustafson – aye

Mayor Johnson – aye

RESOLUTION 2010-63 was ADOPTED. 5 aye, 0 nay

**Resolution 2010-64** – It was noted that the Northshore Federal Credit Union was made an official depository in Resolution 2010-02, but because the City has not had any accounts at the Credit Union up to this point, required bank signatories for the Administrator and Deputy Clerk/Treasurer are now needed in order to invest. Motion by Perfetto, second Gustafson to adopt Resolution 2010-64, approval of Northshore Federal Credit Union Bank Signatories.

Member Gustafson – aye

Member Johnson – aye

Member Perfetto – aye

Mayor Johnson – aye

Member Marolt – abstained

RESOLUTION 2010-64 was ADOPTED. 4 aye, 0 nay, 1 abstained

**City Attorney retainer agreement** – The Council reviewed a proposal from the Attorney for retaining legal services in 2011. The increase in time spent by the attorney for services under the retainer in 2007-2009 were reviewed. It was noted that there was an increase in the retainer fee, and that this increase is included in the 2011 budget. The Council thanked Morris for his service to the City. Motion by J Johnson, second Marolt to approve the City Attorney's retainer agreement for 2011. MOTION CARRIED.

**Utility Accounts** – The water/sewer bill for rental properties are currently billed to the renter and not to the property owner, even though the owner is ultimately responsible for the payment of this bill. The Public Utilities Commission recommends a change to the policy to state all utility accounts are to be in the property owner's name. Motion by J Johnson, second Perfetto that all utility accounts are put in the owner's name effective April 1, 2011, and that the transfer fees are waived for this change. MOTION CARRIED.

The meeting went into closed session from 8:28p.m. until 8:53p.m. to continue discussion of labor negotiations.

Motion by Perfetto, second J Johnson to hold a special Council meeting at 10:00a.m. on Friday, December 10, 2010 at City Hall. MOTION CARRIED.

**Teamster Contract for approval** – This item was tabled to the December 10 special meeting.

**Local 49ers Contract for approval** – This item was tabled to the December 10 special meeting.

**BCBS Health Insurance Change** – This item was tabled to the December 10 special meeting.

**Personnel Policy** – This item was tabled to the December 10 special meeting.

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

OLD BUSINESS – No further old business was presented.

NEW BUSINESS

**Tree Lighting Ceremony** – The Council thanked the Administrative Staff, the Public Works Dept., the Boy Scouts, the Girl Scouts, Silver Bay PTSO, North Shore Voices and the North Shore Federal Credit Union for their help with the City Tree Lighting Ceremony on November 30.

**Fire Department Officers** – Mayor Johnson reported that the Fire Department has reelected the following officers: John Fredrickson, Chief, James Larson, 1<sup>st</sup> Assistant, Jody Reineccius, 2<sup>nd</sup> Assistant, and Mike Rowlee, Captain. Motion by Perfetto, second Gustafson to approve the Fire Department Officers for 2011. MOTION CARRIED.

**Claims** – Motion by Gustafson, second Marolt to approve payment of \$100,969.67 paid claims and \$58,424.70 in unpaid claims. MOTION CARRIED.

Motion by Perfetto, second J Johnson to adjourn at 9:00p.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