

CITY COUNCIL

7:00 P.M.

December 7, 2009

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

One Seat Vacant

Lana Fralich, City Administrator
 Gerald Morris, City Attorney
 Wally Wolfe
 Tait McMorrow
 Terri Perfetto

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

Agenda – Airport land use agreement was removed from City Administrator. Resolution 2009 - 64 and Resolution 2009 - 65 were added to Appointment of Vacant Council seat. Lake County Narrowband and County Road 5 were added to Communications. Resolution 2009 - 61, Resolution 2009 - 62, Resolution 2009 - 63 and Contract for custodial services was added to City Administrator. Motion by Marolt, second Perfetto to approve the agenda as amended. MOTION CARRIED.

Appointment of Vacant Council seat – Mayor Johnson thanked Charles Wall, Charles Rathbone, Jack Swanson, Wayne Billings, Rob Otterblad, Richard DeRosier, Jody Reineccius and Joanne Johnson for applying for the vacant Council seat, and their willingness to serve the City in this way. At the November 30 special meeting the Council interviewed each applicant. Using a scoring system, they came to a consensus to appoint Joanne Johnson to the vacant Council seat. It was noted that Ms. Johnson had a prior engagement for this evening, and will take the oath of office at the December 21, 2009 City Council meeting.

Resolution 2009 - 64 Appoint Vacancy on Council – Motion by Marolt, second Gustafson to adopt Resolution 2009 - 64 appointing person to fill a vacancy on City Council until a special election is held.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

Resolution 2009 - 65 Call for a Special Election – Motion by Perfetto, second Marolt to adopt Resolution 2009 - 65 calling for a special election at the next regular city election.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

Motion by Perfetto, second Marolt to appoint Joanne Johnson to the Council position seats on the Economic Development Authority and the Planning and Zoning Commission. MOTION CARRIED.

Consent Agenda – Motion by Perfetto, second Gustafson to approve the minutes of the November 16, 2009 Council meeting, the November 16, 2009 Budget Workshop meeting, the November 30, 2009 Special Council meeting and the October 2009 Treasurer's Report. MOTION CARRIED.

Petitions, Requests and Communications

Tree Lighting Ceremony – The Council thanked VanHouse Construction, 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 December 1. The City Administrator will send out a formal thank you.

Steps of Faith daycare – The Council reviewed a request for financial assistance from Steps of Faith daycare. The Council acknowledged the valuable service that this organization provides; and also noted that the 2010 budget only allows for one donation to the Historical Society, and that all other requests for donations have been denied. Motion by Perfetto, second Marolt to deny the request for financial assistance from Steps of Faith daycare. MOTION CARRIED.

Lake County Narrowband Committee – Fralich reported that County Commissioner Tom Clifford has requested that the City ask for volunteers, who are familiar with this system to the County Narrowband Committee. Councilperson Perfetto and Fire Chief John Fredrickson have volunteered to serve on this committee.

County Road 5 – The Council discussed the responsibility for maintenance to the portion of County Road 5 that runs through the City. It was stated that there have been no changes in the maintenance responsibilities between the City and the County for this road, and reference was made to the March 2, 2009 Council meeting where the Lake County Highway Dept. discussed maintenance and rehabilitation to this road.

Public Comments for 2010 Budget – Wally Wolfe, of 48 Law Drive, discussed an increase on his property tax statement. Teit McMorrow, of 31 Adams, discussed an increase on his property tax statement. A letter from Rebecca Davey, 24 Ives Road, was reviewed. Each comment received was a concern to the valuation of their property and the discrepancy in how the taxes are distributed. There was discussion that the property value and tax rate are set at the Lake County Assessor's and Auditor's office. There was further discussion on the 2010 City Budget, the 2010 Proposed City levy, and that while City expenditures to the General fund have decreased, the City tax rate will increase 9.4% due to cuts in the State Local Government Aid.

City Administrator

Resolution 2009- 59 Final Budget – It was noted that the final budget includes the City Enterprise Funds. The 2009 and 2010 City General Fund budgets were reviewed. Motion by Marolt, second Gustafson to adopt Resolution 2009 - 59 fiscal year 2010 Budget.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

Resolution 2009- 60 Final 2010 Levy – Motion by Perfetto, second Marolt to adopt Resolution 2009 - 60 final 2009 collectible 2010 Tax levy.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

2010 Insurance Liability Coverage Waiver Form – The Council reviewed the Insurance Liability Coverage Waiver Form, and it was noted that in the past the Council has not waived the monetary limits on tort liability as it saves the City money. Motion by Perfetto, second Gustafson to not waive the monetary limits on tort liability. MOTION CARRIED.

2010 Reappointment to Boards and Commissions – The Council thanked Tim Bjella, Kent Shamblin, Vern Thompson, Annette Fischer and Jim Lukken for their service to the City Boards and Commissions. Motion by Perfetto, second Marolt to reappoint Denise Carlson and Pam Jonson to the Library Board, Jody Reineccius and Stave VanHouse to the Parks and Recreation Board, Steve VanHouse to the Planning and Zoning Commission, Mervel Hanson to a one year term on the Public Utilities Commission, Dave Colby to a two year term on the Public Utilities Commission, and to appoint Steve VanHouse to the Mary MacDonald Building Committee. MOTION CARRIED. It was noted that a number of Board and Commission seats still need to be filled, and advertisements will go out asking City residents if they would like to volunteer.

Wilderness Family Lease Agreement – It was noted that Wilderness Family Naturals rejected the timeline of the original lease, which ran through March 2011, but would agree to a lease, under the same conditions, through May 31, 2010. Reasons for not accepting the original lease agreement is due to the uncertainty of their business. The Mary MacDonald Building Committee has recommended approval of this lease. Motion by Gustafson, second Perfetto to adopt the agreement between the City and Wilderness Family Naturals to lease space at the Mary MacDonald Center, through May 31, 2010. Gustafson, Perfetto and Johnson voted aye, Marolt voted nay. MOTION CARRIED.

The Council discussed funding sources for the Eco-Industrial project.

Resolution 2009 - 61 Application for DNR Coastal Program – Motion by Marolt, second Gustafson to adopt Resolution 2009 - 61 authorizing to submit application to the State of Minnesota Department of Natural Resources - waters for the Lake Superior

Coastal Program for the Eco-Industrial Land Use Planning Guidelines for sustainable industrial development integrating the coastal community.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

Resolution 2009 - 62 Application for DNR Coastal Program – Motion by Perfetto, second Gustafson to adopt Resolution 2009 - 62 authorizing to submit application to the State of Minnesota Department of Natural Resources - waters for the Lake Superior Coastal Program for using site orientation and building designs to concentrate and funnel primary wind planes through small wind vertical turbines located between buildings.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

Resolution 2009 - 63 Application to IRR to reimburse grant writing expenses – Motion by Gustafson, second Marolt to adopt Resolution 2009 - 63 authorizing the City of Silver Bay to make application to the Iron Range Resources application fund program for reimbursable grant writing expenses for various grant applications related to the eco-industrial park, which includes the MN Dept. of Commerce, US Dept. of Energy, and the MN Lake Superior Coastal Programs.

Member Perfetto – aye

Member Gustafson – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED. 4 aye, 0 nay, one seat vacant

Contract for Custodial Services – The Council reviewed two contracts between the City and June Talus for custodial services; one for services at the library, and one for services at City Hall and the City Animal Pound. Motion by Perfetto, second Marolt to enter into contract with June Talus for custodial service for the Library for the year 2010, and to enter into contract with June Talus for custodial service for the City Hall and City Animal Pound for the year 2010. MOTION CARRIED.

City Attorney

Feeding of Wild Animals in City Limits – The Council reviewed discussion from the November 2 and November 16 meetings regarding this subject, as well as written information presented by the attorney. There was discussion on whether or not City Code 610 could be enforced regarding the issue of the feeding of deer. Morris gave his opinion that it would be hard to enforce City Code 610 on the issue of the feeding of deer, and that if the Council wishes to specifically address this problem, the Code should be amended to address this issue. There was discussion on the effects of feeding upon deer and the control of the deer population, or lack thereof, within the City. There was discussion that a representative from the MN DNR should be invited to the next Council meeting, and this issue was tabled until that time.

Intentional Damage to Boulevard Trees – The Council reviewed a memo from the attorney about a City resident who, on or about October 17, had cut several branches from a boulevard tree without prior approval from the City. This memo also cited City Code 910.03 – Boulevard Tree Care, and MN Statute 609.595. Terri Perfetto addressed the Council on this issue. There was consensus from the Council that matters of property damage have not in the past, or now should be issues of decision for the Council. This matter was referred back to the City Attorney.

OLD BUSINESS – No other old business was presented.

NEW BUSINESS

Claims – Motion by Gustafson, second Perfetto to approve payment of \$106,358.21 paid claims and \$35,089.96 in unpaid claims. MOTION CARRIED.

Motion by Perfetto, second Gustafson to adjourn at 8:05p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

Scott M. Johnson, Mayor

Lana Fralich, City Administrator