

## CITY COUNCIL

7:00 P.M.

February 17, 2009

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

Lana Fralich, City Administrator  
Gerald Morris, Asst. City Attorney  
Tom Porter – Chair Airport Commission  
Forrest Johnson – Lake County News Chronicle

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

**APPROVAL OF AGENDA** – Ms. Fralich has one addition under New Business titled Scheduling of Meetings. Motion Gustafson, second Marolt to approve the agenda with one addition. MOTION CARRIED

**CONSENT AGENDA** – Motion Kelley, second Perfetto to approve the consent agenda item 3 (minutes of February 2, 2009 City Council Meeting) MOTION CARRIED.

**PETITIONS, REQUESTS & COMMUNICATIONS –**

- A. **Lake County Thank You** – Letter received 02/04/09 from Lake County thanking the City for the resolution supporting the creation of a special ambulance service taxing district.
- B. Letter to Mayor from Flarity and Hood who provide labor relations, public employment and human resources services to the City. Mayor did not see the need for this service. No further discussion by council.
- C. Mayor received notice on MPCA bio-solid annual report permit for land spreading.
- D. Mayor received information on safety and loss control workshops hosted by the League of Minnesota Cities.

**DEPARTMENTS****A. CITY ADMINISTRATOR**

1. **2008 Audit Highlights** – The 2008 audit is complete and Ms. Fralich stated the exit interview by KDV was very positive. There is some final information the City needs to provide to KDV but the Audit firm will be at the April 6, 2009 Council meeting to present the final audit to Council. Ms. Fralich stated there was improvement in Segregation of Duties and also in the Preparation of the Financial Statements. By the end of 2009 the auditors would like to see the City develop a Capital Asset Tracking Policy, a Cell Phone Policy, an Out of State Travel Policy, and a policy for unclaimed checks. In addition, KDV would like the City to update the Investment Policy that relates to deposits to include custodial

credits to be collateralized to 110% and implement GASB 45. Ms. Fralich commended Cheryl Marolt on all the hard work she did prior and during the audit process.

2. **Resolution 2009-11 DEED Grant Agreement** – Grant agreement was reviewed by the EDA and they have recommended approval to Council to approve the resolution and enter into the grant agreement. Motion Kelley, second Marolt to adopt Resolution 2009-11 DEED Grant Agreement for the contamination investigation and RAP Development Program.

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

3. **Resolution 2009-12 MPCA Grant Application** – The City initially submitted a pre-application to MPCA for \$50,000 and was then invited to submit a full application. Final application is due Monday, February 24, 2009 at 3:00 p.m. The EDA has reviewed and is recommending approval of the resolution to submit the grant. Motion Perfetto, second Gustafson to adopt Resolution 2009-12 MPCA Grant Application submission.

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

4. **Resolution 2009-13 Law Enforcement Mutual Aid Agreement** – This is an agreement between law enforcement agencies within Minnesota's Sheriff's Association District II office and the Northeastern Minnesota Police Departments. Chief Jonson is recommending approval. Agreement has been forwarded to the City Attorney. The only concern of the attorney is in reference to liability indemnity. The attorney would suggest that City run clause 4.2 of the Mutual Aid Agreement by the City's insurer. Council feels more information and clarification is needed before adopting this resolution. Resolution to be reviewed again next meeting.

5. **Resolution 2009-14 – DNR Agreement for Marina Management** – Ms. Fralich stated agreement was previously approved; however she was able to negotiate an additional \$15,000 that previously only would have been awarded if the marina generated that much revenue. Due to time restraints resolution was not brought forward to Parks and Rec for recommendation. Motion Kelley, second Perfetto to approve Resolution 2009-14 DNR Agreement for Marina Management

Roll call vote:

Member Marolt – aye

Member Kelley – aye

Member Perfetto – aye

Member Gustafson – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED 5 aye, 0 nay

6. **Airport A/D Building** – The Airport Commission has approved the plans for the new A/D Building with 5% matching funds coming from the Friend's of the Airport. Ms. Fralich explained that in order for the City to submit the application to the FAA for funding, contract bids need to be received. The Estimated project costs are \$236,209. The Airport Commission is requesting the Council move forward with advertising for bids. This does not obligate council to approve bids. The City would not have to come up with any money at this time. Porter stated the non-profit will provide a letter of guarantee for the matching funds. The Council would like the non-profit's guarantee prior to authorizing RSH to advertise for bids. Kelley expressed some concern on the new building's size and suggested a smaller A/D building being built which would cut costs and also include all the project costs. Discussion on further cost saving ideas. Will table to next meeting.
7. **Airport Maintenance Manager Contract Renewal** – The Airport Commission recommends approval to Council of the new Airport Manager Contract. The contract is being increased from \$350 to \$400 per month and the average hours per month increasing from 20 to 23 hours. Discussion regarding dollar amount allowed for Materials and Supplies and Council would like amount decreased to \$200. Motion Perfetto, second Gustafson to approve the new Airport Maintenance Manager's Contract effective February 1, 2009 with change in the contract of \$200 allowed for materials and supplies without prior approval of the Commission or the City Administrator. Discussion followed about other cost saving MOTION CARRIED
8. **MRWA Training for Mike Miller** – Ms. Fralich recommended approval of sending Mr. Miller, Water/Sewer Superintendent, to the MRWA Conference being held March 3-5, 2009. Mr. Miller is required to have 24 credits/year to keep his licensure updated. Due to registration deadlines, request was not brought before the PUC. Cost of training is \$160 plus normal travel expenses paid which will come out of the Water/Sewer Training Budget. Motion Perfetto, second Gustafson to send Mr. Miller to MRWA Conference. MOTION CARRIED
9. **League of MN Cities Police Tract Training for Chief Jonson** – Chief Jonson is requesting to attend a LMC Police Track Training in Biwabik on April 30, 2009. Cost is \$20 and includes lunch. Motion Marolt, second Kelley to allow Chief Jonson to attend Training. MOTION CARRIED
10. **Fireworks** – Ms. Fralich stated that fireworks need to be purchased by May 1, 2009. \$1,300 has been budgeted. Ms. Fralich is requesting approval to solicit to other communities and townships (Beaver Bay, Finland, Beaver Bay Township, Silver Creek Township, Crystal Bay Township, and Little Marais) for help with purchasing more fireworks and also to solicit the public to "purchase a firework". Motion Kelley, second Marolt to allow the City Administrator to solicit funds from the other communities and the public. MOTION CARRIED

B. **CITY ATTORNEY** – No report at this time.

**OLD BUSINESS**

- A. Mary MacDonald Rehabilitation Project** – Project is currently out for bid. Bid deadline is February 24, 2009 at 2:00 p.m.
- B. Street Department Charge-Backs to Water/Sewer Department** – Ms. Fralich stated that both departments agree that there should be a charge-back to the water/sewer department for time spent by the street department for water/sewer issues. Swede is keeping track of the Street Department's hours and will come up with a cost estimate. This will be brought to the PUC and Public Works Commission and then a recommendation to Council. Discussion on other charge back to various departments followed.

**NEW BUSINESS**

- **Meeting schedules** – Member Marolt would like a policy for setting and changing meetings. The City Attorney discussed open meeting laws. Discussion followed regarding scheduling meetings, canceling meetings and procedures for meeting changes. Council requested a policy be developed to include that changes to meetings be called by the Mayor or Chair of the Board or two Council or Board/Commission members.

CLAIMS – Motion Perfetto, second Kelley to approve payment of \$92,937.12 paid claims and \$58,590.46 unpaid claims as presented. MOTION CARRIED

Motion Perfetto, second Marolt to adjourn at 8:28 p.m. MOTION CARRIED

Minutes taken by Lisa Topp

---

Scott M. Johnson, Mayor

---

Lana Fralich, City Administrator