

CITY COUNCIL

7:00 P.M.

January 20, 2009

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

Lana Fralich, City Administrator
Gerald Morris, Asst. City Attorney

Also attending: Nancy Schultz, SEH; Brian Bergstrom SEH; George Pope

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

Oath of Office to be removed from agenda.

CONSENT AGENDA – Motion Kelley, second Gustafson to approve the consent agenda item 2 (minutes of January 5, 2009 City Council Meeting and Treasurer's Report for October 2008) with correction made to the minutes of 5 aye under resolution 2009 - #2 and 5 aye under resolution 2009 - #4. MOTION CARRIED

Mary MacDonald Rehabilitation – Nancy Schultz and Brian Bergstrom were in attendance from SEH and brought an updated cost estimate for the Mary MacDonald Building which has come in quite a bit less than the original estimate. Cost estimate includes contingency, SEH fees, mechanical, electrical, and fire protection. With the new estimate all windows in the building could now be replaced. Estimate does not include a new recommended energy efficient exterior door that should be installed where new ramp will be as interior door needs to be removed. The other item not included in the cost estimate would be installation of electric baseboard heaters in the interior bathrooms. Repair of the old heating system would not be cost effective. Council is in agreement with above additions.

Ms. Fralich explained that there are problems with the roof leaking at the Mary MacDonald Center and that repair or replacement will soon be necessary. Consideration of not replacing some of the windows may be necessary so funds can go to roof repair or replacement. Funding will be looked into to help offset cost.

Motion Marolt, second Gustafson to proceed with bid opening and place advertisement in both Lake County Chronicle and Duluth News Tribune pending attorney approval. MOTION CARRIED

PETITIONS, REQUESTS & COMMUNICATIONS –

- A. **Invitation to Range Association of Municipalities and Schools (RAMS) –** Annual meeting Thursday, February 19, 2009. Keynote speaker Amy Klobuchar. Motion Kelley, second Perfetto to allow City Administrator and any council members wishing to attend the annual RAMS meeting. MOTION CARRIED

- B. **Lake County Planning and Zoning** – Lake County has recently received a “Star Grant” for revision of the stormwater portion of the Land Use Ordinance for Lake County and the City Administrator has been requested to be part of this. Motion Gustafson, second Marolt to allow the City Administrator to attend the first meeting and decide if anyone else might need to attend. MOTION CARRIED
- C. **Resolution 2009-6 Lake County Highway Department – Federal High Priority Funding** – Request received from Al Goodman recommending Federal High Priority Funding for the segment of TH61 between Silver Bay and Beaver Bay. Discussion followed. Motion Gustafson, second Marolt to adopt Resolution 2009-6 recommending Federal High Priority Funding of Trunk Highway 61 between Silver Bay and Beaver Bay and the spur trail between Marina and Gitchi Gami State Trail.

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

- D. **Two Harbors Area Chamber of Commerce – Winter Frolic Donation** – Request for \$10 donation by Two Harbors Chamber of Commerce for Winter Frolic. With budget cuts donation is not recommended. Motion Perfetto, second Kelley that the City not donate to Two Harbors Chamber of Commerce Winter Frolic. Gustafson would like to see request go to other commissions as he feels this could be of benefit to the City. Ms. Fralich will forward to Liquor commission, Public Utilities Commission and the Golf Course. MOTION CARRIED. Member Gustafson voted nay.

Letter received from Partners for Affordable Energy regarding next generation energy act. Council members were to review and bring to next meeting if there were any questions.

DEPARTMENTS

A. CITY ADMINISTRATOR

1. **Mary MacDonald Rehabilitation** – Discussion above.
2. **UMD – Sea Grant Partnership** – Request received from Dr. Mike Mageau from UMD regarding application for a Sea Grant through UMD and request to use the City of Silver Bay as their pilot project for research and economical development potential of wind. There would be no cost to the City. UMD is requesting the City put their blessing on the application and also write a letter of support and allow Ms. Fralich to be the contact person. Administrative reimbursement is possible for helping with the project. Motion Perfetto, second Kelley to allow the City of Silver Bay be the pilot project for UMD application for Sea Grant funding. MOTION CARRIED
3. **MPCA – Eco-Industrial Project** – Pre-application has been submitted. The City has been invited to submit the full application for the eco-industrial project. The eco-industrial team will be meeting this week to determine if the City can meet the updated requirements and submit the proposal by the February 23, 2009 deadline.

4. **Part Time Confidential Secretary Position** – Motion Perfetto, second Marolt to accept the recommendation of the Personnel Committee to hire Lance Beachem as part time confidential secretary at \$12/hr with the guarantee of 4 hrs/week with the average of 12 hrs/week beginning January 26, 2009. MOTION CARRIED
5. **Public Utilities Commission Appointments** – Motion Gustafson, second Perfetto to appoint David Colby and Mervel Hanson to the Public Utilities Commission. MOTION CARRIED
6. **Part Time Police Officer** – The Chief of Police has requested replacement of one of the part time police officer positions. Starting wage would be \$17.64/hr and they would not work more than 14 hr/wk. No health, dental or life benefits. Motion Perfetto, second Gustafson to move forward with hiring a part-time police officer. MOTION CARRIED
7. **Council Wages** – Ms. Fralich looked further into changing a previous council's motion to allow wage changes for Council. Any change in council salaries can only be done during an election year, therefore wages cannot be changed for the Council. However, council members can elect to donate their salary back to the City and qualify for a tax deduction.
8. **2008 Budget Amendment** – Motion Gustafson, second Marolt to add the Bond Principal amount of \$50,688.02 to the 2008 budget line item 609-000-49751-601 retroactive to December 31, 2008. MOTION CARRIED
9. **Two Harbors Area Chamber of Commerce Dues** – Invoice received for \$232 for membership/dues. City attorney recommends this be turned over to the EDA for action as taxpayer dollars cannot be used for this type of donation. Motion Perfetto, second Marolt to not pay the Two Harbors Chamber of Commerce Dues out of the general fund. MOTION CARRIED.
10. **Campground – S.E.H. Agreement for Profession Services** – Motion Marolt, second Gustafson to authorize entering into agreement with S.E.H. for professional services with recommended changes that were agreed to by S.E.H. MOTION CARRIED

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

OLD BUSINESS

- A. **Hearing Committee for Nuisance Abatement** – City Attorney would recommend the Hearing Committee be renamed to the Screening Committee as there could be a conflict regarding the hearing officer. The Chief feels it is important to keep this committee and become more active. Motion Perfetto, second Marolt to appoint the Police Chief, 1 patrolman, 1 Council Member, the City Administrator, a representative of Planning and Zoning and Member Marolt to the Screening Committee. MOTION CARRIED

NEW BUSINESS

- A. **Resolution supporting maintenance of local title and registration services** - Motion Marolt, second Gustafson adopting **Resolution 2009 - #7 Supporting Maintenance of Local Title and Registration Services** authorizing the acceptance of more secure alternative payments at deputy registrar offices; and to achieve a greater retention of existing fees or a user service fee increase in the year 2009 to maintain local title and registration service to the citizens of Minnesota.

Roll call vote: Member Gustafson – aye
Member Kelley – absent
Mayor Johnson – aye

Member Perfetto – abstain
Member Marolt – aye

THE RESOLUTION WAS ADOPTED 3 aye, 0 nay, 1 abstain, 1 absent

CLAIMS – Motion Gustafson, second Marolt to approve payment of \$162,466.20 paid claims and \$77,863.44 unpaid claims as presented. MOTION CARRIED

Mayor Johnson was wondering about the Water Department being charged back for work that the Street Department does and was informed that is not being done. This issue will need to be looked into further

Motion Gustafson, second Perfetto to adjourn at 8:09 p.m. MOTION CARRIED

Minutes taken by Lisa Topp

Scott M. Johnson, Mayor

Lana Fraich, City Administrator