

CITY COUNCIL

7:00 P.M.

January 5, 2009

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

Bob Kind
Patrick Ramsdell

Lana Fralich, City Administrator

Also attending: Bob Kind, Patrick Ramsdell

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

Administrator Fralich administered the oath of office to Mayor Scott Johnson and Council Members Carlene Perfetto and Pat Kelley.

CONSENT AGENDA – Motion Kelley, second Gustafson to approve the consent agenda item 4 & 5 (minutes of December 15, 2008 City Council Meeting and Treasurer's Report for August and September 2008) MOTION CARRIED

PETITIONS, REQUESTS & COMMUNICATIONS – No communication from the Administrator. Mayor Johnson had one item, the DEED award, which the City Administrator will cover under Old Business.

DEPARTMENTS – CITY ADMINISTRATOR

Rezone of Patrick Ramsdell Property - Ms. Fralich stated that Planning and Zoning has recommended the portion of land he is requesting be changed from Light Industrial (LI) to Forrest Reserve (FR) for the purpose of meeting lot size requirements for his housing development. He is currently working on his plat for the Mt. Rockwood area. The Public Hearing has been completed on the rezone. Mayor Johnson did add that this is consistent with the zoning that had been done before. Motion Gustafson, second Perfetto for the rezoning of Patrick Ramsdell's property from LI to FR as listed on his Land Use Application Form. MOTION CARRIED

2008 Budget Amendment - The amendment is being submitted for approval retroactive to December 31, 2008. Budget was amended previously but the City was not aware of the LGA cuts at that time. Also there were some bills (gas and electric, etc) that were budgeted from February to January as opposed to January to December like a majority of our other bills. With the new amended budget, even with the changes in the LGA, Ms. Fralich feels we are going to be in pretty good shape and will be able to put some funds back in the cash reserve if depreciation and projects were removed from the equation. Motion Marolt, second Kelley to approve the amended budget for 2008 retroactive to 12/31/08. Ms. Fralich stated we usually receive an LGA payment in July and one in December but with the budget cuts the state pulled \$73,858 of our LGA from our allotment out of our December payment. MOTION CARRIED.

Caribou Designs/Bruce Carman Purchase Agreement – Ms. Fralich stated that there is a purchase agreement that Mr. Carman has signed for a piece of property in the business park which has expired. Mr. Carman has requested some of his earnest money be returned to him stating personal reasons but he still would like to purchase the property and have some sort of agreement with the City. The EDA has met regarding Mr. Carman's request and also had a lengthy discussion regarding being consistent going forward with future property purchases. The EDA is recommending that purchasers be required to put down 20% of the purchase price as earnest money with the EDA having the ability to retain 25% of that money if the purchaser should default, with a deadline of a maximum of 1 year to any purchase agreement, and finally require the purchaser to begin construction within 36 months of the date of the close or the property will revert back to the City. The Attorney has written a new purchase agreement which was not available at the time of this meeting.

Motion Kelley, second Marolt to proceed with the EDA's recommendation to the Council that the City of Silver Bay enter into a new purchase agreement for Lot 1 Block 2 of the Silver Bay Business Park plat in the amount of \$59,656 with \$12,000 of earnest money retained for the new purchase agreement and \$18,000 be returned to Caribou Designs/Bruce Carman and allow the Mayor and the City Administrator to sign.

Perfetto was wondering about interest on any earnest monies. Ms. Fralich stated that should a purchaser default we would keep the 25% and any interest accrued and the remaining earnest money would get returned to the purchaser along with any interest that had accrued. MOTION CARRIED

Appointments/Reappointments –

- Scott Bauck – reappointment to EDA Committee
- Joanne Johnson – appoint to Public Utilities Commission
- Pete Lenski – Reappoint to the Public Works Commission
- Chris Mallory – Reappoint to Planning and Zoning Commission
- Paulette Anderson – Reappoint to the Library Board
- Jim Lukken – Appoint to Public Utilities Commission

Motion Perfetto, seconded Marolt to appoint/reappoint to above boards. Mayor Johnson would like to thank those who have shown interest and signed up. MOTION CARRIED

City Attorney – Not in attendance and Ms. Fralich stated there is nothing to report.

OLD BUSINESS – Ms. Fralich stated she had received notification from the Department of Employment and Economic Development (DEED) notifying us that our application for the contamination grant for the boneyard site at the business park has been approved for funding. The award will be to the City of Silver Bay for \$39,506 for the investigation of the contaminants located at Lot 2 Block 7 of the business park plat. More information coming in the future.

Mayor Johnson did state that he feels that the motion that was previously passed regarding wage increase for the Council needs to be revisited in the future as this has been on his mind since the LGA cuts were announced.

NEW BUSINESS

Motion Perfetto, second Marolt to adopt **Resolution 2009 - #1 Designating Lake County News Chronicle as the Legal Newspaper**

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 Gustafson, second Kelley to adopt **Resolution 2009 - #2 Approve Lake Bank Signatories** which resolves that Lana Fralich, Cheryl Marolt, Veronica Duresky, Scott M. Johnson, Thomas Byrnes and Kerry Danielson be authorized as signatories for the City of Silver Bay Lake Bank Account.

Roll call vote: Member Marolt – aye
 Member Perfetto – aye
 Mayor Johnson – aye
 Member Kelley – aye
 Member Gustafson – aye

THE RESOLUTION WAS ADOPTED 5 aye, 0 nay

Motion Marolt, second Gustafson adopting **Resolution 2009 - #3 Appointment of Acting Mayor** whereas the Acting Mayor shall perform the duties of the Mayor during the mayor's disability or absence from the City, or if there is a vacancy, until a successor has been appointed appointing Councilman Kelley as acting Mayor.

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 Perfetto, second Marolt adopting **Resolution 2009 - #4 Commission Assignments:**

Parks and Recreation Board – vacant seat filled by Perfetto
 Economic Development Authority – Kelley & Marolt to remain
 Planning and Zoning Commission – Kelley & Gustafson to remain
 Public Utilities Commission - vacant seat filled by Perfetto
 Airport Commission – Mayor Johnson & Gustafson to remain
 Liquor Commission – Mayor Johnson to remain, vacant seat filled by Perfetto
 Public Works Commission – Mayor Johnson & Marolt to remain
 Mary MacDonald Committee – Gustafson to remain
 Library Board – Gustafson to remain

Roll call vote: Member Marolt – aye
 Member Perfetto – aye
 Mayor Johnson – aye
 Member Kelley – aye
 Member Gustafson – aye

THE RESOLUTION WAS ADOPTED 5 aye, 0 nay

Ms. Fralich stated that the City fees are basically set but there are a few changes. First, the fee for a police officer at a dance will increase to \$40/hr not the current flat fee of \$100; second, a fee of \$5/report/copy for accident reports; third, a \$25 fee be charged for the use of the Recreation building for private groups and organizations that do not generate any income, \$50 fee charged for anyone using the facility to generate income, and public groups and organization will remain free of charge. Ms. Fralich would like in the future to look at and reestablish all City fees. Mayor Johnson wondered about copies being done at the City and Ms.

Fralich explained that does fall under the Data Practices Act. Motion Marolt, second Kelley to adopt **Resolution 2009 - #5 Resolution Establishing City Fees.**

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

Committee Assignments:

- Personnel Committee – Mayor Johnson & Member Gustafson will remain
- Northshore Management Board – Mayor Johnson will remain
- Cable Committee – Member Marolt will remain
- Safety Committee – Marolt will remain and Member Perfetto will fill vacancy
- Bid Tabulating Committee – Mayor Johnson and Member Perfetto will fill vacancy
- Finance Committee – Gustafson will remain and appoint another member should the need arise.
- Hearing Officer – Perfetto wishes to remove herself as she feels this is a conflict of interest. Mayor Johnson suggested we check with the Police Chief and see if he wants a second hearing officer and also see if one of his officers would be interested in the Nuisance Abatement

Motion Gustafson, second Perfetto to accept above committees assignments as above.

MOTION CARRIED

CLAIMS – Motion Perfetto, second Marolt to approve payment of \$163,496.99 paid claims and \$14,042.71 unpaid claims as presented. THE MOTION CARRIED

Motion Perfetto, second Marolt to adjourn at 7:42 p.m. CARRIED

Scott M. Johnson, Mayor

Lana Fralich, City Administrator