

CITY COUNCIL

7:00 P.M.

January 19, 2010

Present: Mayor Scott M. Johnson
David Gustafson
Joanne Johnson
Steven Marolt

Carlene Perfetto – excused

Lana Fralich, City Administrator
Pete Morris, City Attorney
George Pope, SBATA
Michael Giuliano, SBATA
Matt Suoja, Lake County News Chronicle

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

Agenda – Land Application Training, Cable Channel 13 and Home Use Occupation Permit renewals were added to City Administrator; Bay Days was added to Old Business, and Liquor Store Security System was added to New Business. Motion by J. Johnson, second Marolt to approve the agenda as amended. MOTION CARRIED.

Consent Agenda – Motion by Gustafson, second J. Johnson to approve the minutes of the January 4, 2010 Council meeting. MOTION CARRIED.

Petitions, Requests and Communications

SBATA – The discussion at the January 4 meeting about the billboard on Highway 61 was reviewed. Giuliano and Pope discussed having SBATA (Silver Bay Area Tourism Association) lease and maintain the billboard. There was discussion on listing individual businesses on the billboard, and the current agreement with those businesses. There was also discussion on additional signage to promote the area. The lease agreement for this billboard is still being developed. This issue was referred to the Economic Development Authority.

Bay Area Vineyard Church – The Council reviewed a letter from the Bay Area Vineyard Church requesting a reduced rate for use of the ReUnion Hall for a Father/Daughter banquet on February 19. The Liquor Control Commission has approved rental for the minimal fee of \$50. No further action was taken on this issue.

City Administrator

Resolution 2010-07 – There was discussion on the Assisted Living Center at the Bell Circle location. A development agreement with Spectrum Health is being finalized. Spectrum Health is hoping to begin construction sometime in May 2010. Motion by Marolt, second J. Johnson to adopt Resolution 2010-07 authorizing the City of Silver

Bay to enter into a grant agreement with the State of Minnesota through the Iron Range Resources Office of the Commissioner for the \$350,000 Public Works Grant for the assisted living center and authorize the Mayor and City Administrator to sign the grant agreement.

Member Marolt – aye
 Member Gustafson – aye
 Member Perfetto – absent

Member Johnson – aye
 Mayor Johnson – aye

RESOLUTION 2010-07 was ADOPTED.

4 aye, 0 nay, 1 absent

Resolution 2010-08 – There was discussion on a \$100,000 energy grant through the Department of Commerce-Office of Energy Securities for the Mary MacDonald Center to be used for replacement of the boilers, doors and windows. This grant requires no matching funds, but it must be shown that there will be \$10,000 annual energy savings. There was also discussion about having SEH Engineers do the grant writing, for the amount of \$1,200; \$900 coming from an IRR grant, and \$300 coming out of the Mary MacDonald budget. Motion by Gustafson, second Marolt to adopt Resolution 2010-08 authorizing to submit application to the State of Minnesota, Dept. of Commerce, Office of Energy Security.

Member Marolt – aye
 Member Gustafson – aye
 Member Perfetto – absent

Member Johnson – aye
 Mayor Johnson – aye

RESOLUTION 2010-08 was ADOPTED.

4 aye, 0 nay, 1 absent

Administrative Hearing Officers – The Personnel Committee has reviewed applications and recommends the following three people as Administrative Hearing Officers for the City. There was discussion about the process of using Administrative Hearings for City Code violations. Motion by Gustafson, second J. Johnson to appoint Lane Koster, Fred Mismash and Ken Vogel as the Administrative Hearing Officers for the City of Silver Bay. MOTION CARRIED.

MRWA Annual Training Conference, Mike Miller – There was a request for Mike Miller to attend a water/wastewater training conference to maintain his certifications. The conference will be held at the St. Cloud Civic Center, registration is \$175, Hotel is \$89 + taxes and fees, and there would be the normal travel expenses. There was discussion about a schedule of training events for City employees. Motion by J. Johnson, second Marolt to approve M. Miller to attend the MRWA Annual Training Conference in St. Cloud on March 2 - 4. MOTION CARRIED.

Purchase Agreement, Caribou Design and Construction – A purchase agreement, for land at the business park, between the City and Caribou Design and Construction was reviewed. This agreement expired at the end of 2009, and the new agreement is for the same terms, and is extended to the end of 2010. In addition, it is requested that

the \$3,000 earnest fee penalty be waived. The Economic Development Authority recommends approval of this agreement, with no additional fees for the extension because of the work that Bruce Carman is doing to develop the Eco-Industrial Park. Motion by Marolt, second Gustafson to approve the purchase agreement with Caribou Design and Construction with no penalty. MOTION CARRIED.

Land Application Training – There was a request for Jason Roswold, from the Public Utilities Dept., to attend Land Application Training to keep his license current. Training is in Owatonna with registration expense of \$300, plus three night stay at \$89/night plus taxes/fees, and normal travel expenses. Motion by Gustafson, second Marolt to approve J. Roswold to attend the Land Application Training in Owatonna on April 20-22. MOTION CARRIED.

Cable Channel 13 – The equipment to run Cable Channel 13 is not working, and is outdated to the point where tech. service is no longer available. The Council reviewed two quotes for equipment replacement. Only one quote included new technology capabilities, and the option to broadcast live events at an additional expense in the future. There was discussion that the franchise agreement should be reviewed to see if MediaCom is required to update this system. The Administrator will work with the Librarian to resolve this issue before equipment is purchased. The funds for this update will come from the Cable TV reserve fund, from monies collected from the franchise fees. There was consensus from the Council that because Channel 13 was a valuable service to the City, action needed to be taken at this meeting. Motion by J. Johnson, second Marolt to approve the request to update equipment for Channel 13, with TelVue Corporation for \$7,100. MOTION CARRIED.

Home Use Occupation Permit renewals – Motion by Marolt, second Gustafson to approve the renewal of Home Use Occupation Permits to Charles Rathbone, 24 Law for a gun related business; to Earl Arnold, 65 Adams for a locksmith business; to Gary Zinter 69 Nelson for a financial services business; and to Roger Gale, 36 Law for a blacksmith and knife making business, through December 31, 2013. MOTION CARRIED.

City Attorney – No other business was presented by the attorney.

OLD BUSINESS

Bay Days – Gustafson presented information about having a Rocky Taconite costume to be used in area parades and community events, to promote the City. There was discussion about designing and making a costume, and about the funding for it. This item was tabled to the next meeting.

NEW BUSINESS

Liquor Store Security System – A security system was included in the renovation of the Liquor Store, but has not yet been purchased. The Liquor Control Commission has

recommended purchasing a system consisting of 7 interior and one exterior cameras from Digital Security Systems, for an estimate of \$4,300. There was discussion that any system would not focus on the customers within the building, but focus on security of the store. Motion by J. Johnson, second Marolt to approve the purchase of a security system from Digital Security Systems, for the Municipal Liquor Store, for an estimated \$4,300. MOTION CARRIED.

Claims – Motion by Gustafson, second J. Johnson to approve payment of \$149,948.21 paid claims for 2009, \$67,164.72 paid claims for 2010, and \$51,005.29 in unpaid claims. MOTION CARRIED.

The Council went into a closed session at 7:53p.m., to discuss an employment contract negotiation. The Council took no action in the closed session.

Mayor Johnson reopened the regular meeting at 8:03p.m.

Motion by J. Johnson, second Marolt to approve the contract with the City Administrator, retroactive to January 18, 2010, upon review by the City Attorney. MOTION CARRIED.

Motion by Gustafson, second J. Johnson to adjourn at 8:06p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

Scott M. Johnson, Mayor

Lana Fralich, City Administrator