

## CITY COUNCIL

7:00 P.M.

June 17, 2013

Present: Joanne Johnson  
 Dustin Goutermont  
 Carlene Perfetto  
 Steven Marolt

David Gustafson – excused

Lana Fralich, City Administrator  
 Pete Morris, City Attorney  
 Kitty Mayo, Northshore Journal

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

**Agenda** – Bay Days Parade was added to communications, and Golf Course Bridge was added to old business. Motion by Marolt, second Goutermont to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Motion by Perfetto, second Goutermont to approve the minutes of the June 3, 2013 Council meeting and the May 2013 Treasurer’s Report. MOTION CARRIED.

### **Petitions, Requests and Communications**

**DEED Grant** – It was noted that the City has received a grant in the amount of \$425,250 for owner occupied rehabilitation funding for a designated area of the City, and that AEOA would be administering these funds. The Council reviewed this program and it was noted that a single purpose audit would be required for these funds.

**MN Power, Northshore Mining Transmission Line Scoping Meeting** – It was noted that the scoping meeting for this project will take place at the Reunion Hall on July 11 at 5:00p.m. for the public to voice comments and questions about this project. It will be posted that a quorum of the Council will attend this event.

**Bay Days Parade** – Motion by Marolt, second Goutermont to approve to use the City float in the July 14 Bay Days parade and to authorize funds for the maintenance and operation of the float, and up to \$150 for candy for this event. MOTION CARRIED.

### **City Administrator**

**Mary MacDonald Management Contract** – The Council reviewed a one year contract with Juel Salveson, and it was noted that there were no changes to the contract and that the Mary MacDonald Building Committee recommends its approval. Motion by Perfetto, second Marolt to approve the Mary MacDonald Management Contract with Juel Salveson, beginning July 1, 2013. MOTION CARRIED.

**Advanced Marina Management Course** – It was noted that \$5,000 for this training is included in the DNR Marina agreement, and that the Parks and Recreation Board recommends its approval. There was discussion about travel options. Motion by Perfetto,

second Marolt to approve for the Marina manager to attend the Advanced Marina Management Course in Dana Point California on September 22-27, and for the City to pay for any expenses over the \$5,000 budgeted funds, up to \$500. MOTION CARRIED.

**Marina Rate Change** – The Council reviewed a Marina update. It was noted that the Parks and Recreation Board recommends \$.25/foot reduced slip rate for groups of five or more, free use of the gazebo for groups of 10 or more, and for the use of coupons for prizes or marketing at the boat shows. Motion by Marolt, second Goutermont to approve a \$0.25 per foot slip discount for not more than 14 days for groups of 5 or more boats, to approve one free night use of the gazebo for groups of 10 boats or more, and to allow the use of coupons for prizes or marketing at the boat shows. MOTION CARRIED.  
There was discussion about North Shore Scenic Cruises.

**Amendment to Contract with CedarTree Enterprises** – The Council reviewed the contract with CedarTree Enterprises. The EDA recommends an amendment to this contract for the City to make two payments of \$2,500, instead of one payment of \$5,000 at the end of the contract. Motion by Marolt, second Goutermont to amend the contract with CedarTree Enterprises Inc. for the City to pay \$2,500 at this time and \$2,500 at the end of the contract. MOTION CARRIED.

**OSHA Grant, Trench Box** – The Council reviewed a quote for a new trench box and information about an OSHA grant for this project. It was noted that the current trench box does not meet the required specifications for many digs and requires immediate replacement. It was further noted that the grant is for up to \$10,000 and that the remaining costs be paid from the Water Dept., the Wastewater Dept. and the Street Dept., each paying 1/3 of the cost. The Safety Committee recommends approval of this purchase and grant submission. Motion by Perfetto, second Marolt to approve to purchase a new trench box from Efficiency Production Inc. for \$23,154.80 and apply for an OSHA grant in the amount of \$10,000, for this project. MOTION CARRIED.

**Airport Harvesting Agreement** – It was noted that Don Warner has died, and that the City has advertised for a harvesting agreement. The board reviewed an addendum to the agreement and a proposal to transfer the remaining term of the agreement to Bonnie Warner. Motion by Marolt, second Perfetto to approve the Airport Crop Harvesting Agreement Addendum and to transfer the remaining term of the agreement to Bonnie Warner. MOTION CARRIED.

**Resolution 2013-27 – Amendment to Contract with Magney Construction** – The Council reviewed change order #4 to the wastewater primary clarifier project in the amount of \$2,750.30 for the recoating of the weirs and baffles, and it was noted that this project has already been completed. There was discussion that it was in the best interest of the City for the contractor to do the work because of the warranty and insurance. Motion by Marolt, second Goutermont to adopt Resolution 2013-27, amend contract to Magney Construction in the amount of \$2,750.30 for the construction of the wastewater treatment facility primary clarifier rehabilitation project.

Member Perfetto – aye

Member Marolt – aye

Member Goutermont – aye

Mayor Johnson – aye

Member Gustafson – absent

RESOLUTION 2013-27 WAS ADOPTED.

4 aye, 0 nay, 1 absent

**Hail Damage Insurance Claims** – It was noted that a hailstorm on April 30, 2013 caused roof and window damage to several City buildings. There was discussion about public procurement requirements, the insurance deductible and the decision making process for such issues. Motion by Perfetto, second Marolt to authorize the Administrator to move forward with and take whatever action needed for all insurance claims.

MOTION CARRIED.

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

#### OLD BUSINESS

**Resolution 2013-25 – Amend City Code Chapter 5, Section 540** – The Council reviewed City Code 540. The Safety Committee recommends amending City Code 540 to better define and control recreational and open burns within the City. It was noted that all burns would require a permit issued by the Fire Chief and there would be a \$5 annual recreation fire fee and a \$5 per occurrence open burning fee. There was discussion about whether or not the City needed to regulate this issue, enforcement issues, informing City residents of safe and legal burning practices, and the use of burning barrels and outdoor wood stoves. Motion by Marolt, second Perfetto to adopt Resolution 2013-25, amending City Code Chapter 5, Section 540.

Member Perfetto – aye

Member Marolt – aye

Member Goutermont – aye

Mayor Johnson – aye

Member Gustafson – absent

RESOLUTION 2013-25 WAS ADOPTED. 4 aye, 0 nay, 1 absent

**Golf Course Bridge** – Motion by Perfetto, second Marolt to authorize the Administrator to send out requests for proposal and obtain quotes for installation of a bridge at the golf course. MOTION CARRIED.

#### NEW BUSINESS

**Resolution 2013-26 – Real Property Purchase Agreement with Northshore Mining** – It was noted that some of the land used by the City at the City shop is currently owned by Northshore Mining, and that the City and Northshore Mining have come to an agreement for the City to purchase this land. There was discussion about costs for surveying, recording fees, deed tax, title examination, a variance for subdivision of the land, and the purchase price. It was noted that a quote for a title review has not been received and that the closing date cannot be set at this time. Motion by Perfetto, second Marolt to table Resolution 2013-26. MOTION CARRIED.

**City Code Section 1300, Electrical Franchise** – The Council reviewed a draft copy of the franchise agreement with Minnesota Power. There was discussion about the franchise agreement with Minnesota Energy for Natural Gas services. It was noted that both of these agreements will soon be up for renewal. The Council reviewed franchise fees from other Minnesota Cities and there was discussion about franchise fees. It was noted that the City currently has a provision for franchise fees, but has taken no action and collected no fees. There was discussion about restricting any franchise fees to a specific project or City department, funding for street replacement, capital improvement funding and strategic planning. The Council will review this issue, which was tabled to the July 1 meeting.

**2014 Capital Bonding Request** – The Council reviewed information about the 2014 Capital Bonding request procedures and timeline. It was noted that bonding funds require one-to-one matching funds, and there was discussion about matching funds sources. There was a consensus for the first priority to be needs within the public utilities department, including a high pressure water main, booster station building, generator and fiber optic communication project, for the second priority to be the Mary MacDonald Center roof and siding project, and the third priority to be the campground project. Motion by Perfetto, second Marolt to approve for the Administrator to submit bonding funds requests to the Minnesota Dept. of Management and Budget. MOTION CARRIED.

**Claims** – Motion by Marolt, second Goutermont to approve payment of \$82,170.51 in paid claims and \$44,202.43 in unpaid claims. MOTION CARRIED.

Motion by Marolt, second Perfetto to adjourn at 8:19p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

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Joanne Johnson, Mayor

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Lana Fralich, City Administrator