

## CITY COUNCIL

7:00 P.M.

March 19, 2012

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

Lana Fralich, City Administrator  
 Pete Morris, City Attorney  
 Christine Mallory, North Shore Journal  
 Catherine Hannula, Lake County News Chronicle  
 John Bathke, Morris Manning

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

**Agenda** – RAMS meeting was added to Communications, Bay Days request was added to Administrator, AWAIR Training and Wastewater Clarifier Bid were added to New Business. Motion by Marolt, second Gustafson to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Motion by Gustafson, second J Johnson to approve the minutes of the March 5, 2012 Council meeting and the December 2011 Treasurer's Report. MOTION CARRIED.

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

**Lake County, North Shore Community Listening Session** – It will be posted that a quorum of the Council will be attending the IRRRB Listening Session on March 29, at 5:30p.m. in Two Harbors at the County Law Enforcement Center.

**Donation Requests** – The Council reviewed donation requests from North Shore Area Partners, Northern Lake County Art Board and Holden Panetti. The Council recognized the importance of these organizations, and also noted that there is no funding in the budget for donation requests.

**RAMS Meeting** – Perfetto reported on the RAMS meeting that she attended earlier on this date, in Mountain Iron, regarding the North East Service Coop. Middle Mile Fiber Optic project.

### **City Administrator**

**Resolution 2011-46** – It was noted that only the agreement dates had been changed in an addendum to this resolution. Motion by J Johnson, second Gustafson to adopt an addendum to Resolution 2011-46 DNR agreement for the Silver Bay Marina.

Member Perfetto – aye	Member Johnson – aye
Member Marolt – aye	Member Gustafson – aye
Mayor Johnson – absent	

RESOLUTION 2011-46 addendum WAS ADOPTED.    4 aye, 0 nay, 1 absent

**Purchase Agreement, Caribou Designs** – It was noted that the purchase agreement has expired and that the City has refunded \$9,000 of the \$12,000 earnest monies, and that both parties in this agreement did not anticipate the wetland issues on this property when the original agreement was made. The EDA recommends refund the remaining \$3,000 of earnest money to Caribou Designs. Motion by Marolt, second J Johnson to refund the remaining \$3,000 of the purchase agreement earnest money to Caribou Designs. MOTION CARRIED.

**Safety Committee Appointment** – The Safety Committee is recommending the Chief of Police to be appointed to this committee. Motion by Marolt, second Gustafson to appoint the position of the Chief of Police to the Safety Committee. MOTION CARRIED.

**Resolution 2011-24** – The Council reviewed the items within this amendment. The EDA recommends adoption of this amendment. Motion by Gustafson, second Marolt to adopt Resolution 2011-24 amending the contract with Ray Riihluoma Inc. for the construction of the Biofuel / Food Greenhouse #1 project.

Member Perfetto – aye

Member Johnson – aye

Member Marolt – aye

Member Gustafson – aye

Mayor Johnson – absent

RESOLUTION 2011-24 WAS ADOPTED. 4 aye, 0 nay, 1 absent

**Surplus Items** – The Council reviewed a list of the items that the Mary MacDonald Building Committee recommends to be declared as surplus property. Motion by Marolt, second J Johnson to declare eight cafeteria tables as surplus property. MOTION CARRIED. It was noted that the Hobart mixer has been listed for sale, at the valued price of \$2,350, and that this item has not sold at this price. Motion by Marolt, second J Johnson to declare a Hobart L-800 floor mixer as surplus property, with a minimum bid of \$500. MOTION CARRIED.

**Bay Days request** – The Council reviewed a proposal from the Bay Days Committee to close Davis Drive from Outer Drive to Banks Blvd. on July 13-15 for the Bay Days celebration. The Public Works Commission recommends approval of this request. Motion by J Johnson, second Marolt to approve the closing of Davis Drive from Outer Drive to Banks Blvd. on July 13-15 for the Bay Days celebration, if needed. MOTION CARRIED.

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

Mayor Johnson arrived at 7:26p.m., and the chairmanship was transferred to him.

## OLD BUSINESS

**EDA Appointment, George Pope** – It was noted that at the February 21 meeting there was a 2-2 tie vote on this subject. The EDA met on March 13 and is recommending the appointment of George Pope for the open position on this board. There was discussion about the reasons that the Councilors had in their voting decisions. Mayor Johnson thanked those who applied for this position. Motion by Gustafson second J Johnson to appoint George Pope to the Economic Development Authority. Gustafson, J Johnson and Mayor Johnson voted aye, Marolt and Perfetto voted nay. MOTION CARRIED.

**Campground Proposal** – It was noted that at the February 21 meeting there was a 2-2 tie vote on this subject. The EDA met on March 13 and is recommending approving the campground site survey proposal from SEH Engineers using Economic Development Funds for the development. There was discussion about the EDA’s work regarding this subject, the use and purpose of EDA funds, the cost of a campground and the financial return on this investment, the condition of the present economy and the economic impact of a campground. Motion by J Johnson, second Gustafson to approve the campground site survey proposal from SEH Engineers, using Economic Development Funds. Gustafson, J Johnson and Mayor Johnson voted aye, Marolt and Perfetto voted nay. MOTION CARRIED.

#### NEW BUSINESS

**AWAIR Training** – The Council reviewed a proposal for the annual AWAIR safety training. It was noted that this item was already in the budget. Motion by Perfetto, second J Johnson to approve for Hibbing Community College to conduct the AWAIR safety training on April 18, for \$909, and that in the future for the Administrator to set this training, without prior approval of the Council. MOTION CARRIED.

**Wastewater Clarifier Bid** – It was noted that the bid opening for the wastewater clarifier project took place on March 15. The Council reviewed the three bids that were received. The Public Utilities Commission will review these bids, and a resolution will be brought to the Council at a later meeting.

**Claims** – Motion by Gustafson, second Perfetto to approve payment of \$88,786.39 paid claims and \$42,867.28 in unpaid claims. MOTION CARRIED.

Motion by Marolt, second J Johnson to adjourn at 7:44p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

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Scott M Johnson, Mayor

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Lana Fralich, City Administrator