

CITY COUNCIL

7:00 P.M.

March 5, 2012

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

Lana Fralich, City Administrator
 Pete Morris, City Attorney
 Michael Miller, Utilities Superintendent
 Catherine Hannula, Lake County News Chronicle
 Christine Mallory, North Shore Journal
 Michael Bosl , KDV Auditors

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

Agenda – Cliffs Invitation was added to communications. Lake County Fiber Optic Franchise Agreement was added to Administrator. Resolution 2012-24 was removed from Attorney. Motion by Perfetto, second Gustafson to approve the agenda as amended. MOTION CARRIED.

Consent Agenda – Motion by J Johnson, second Perfetto to approve the minutes of the February 21, 2012 Council meeting. MOTION CARRIED.

2011 Audit Presentation – Bosl presented the 2011 year-end audit of financial statement and management letter prepared by KDV. The City received a clear and unqualified opinion from an independent auditor, which is the highest it can achieve. The Council reviewed the audit and thanked the administrative staff and department heads for their work on the audit and budget.

Marolt arrived at 7:16p.m.

Gustafson left at 7:19p.m., due to a previous engagement.

Petitions, Requests and Communications

Day at the Capital – Fralich and Perfetto reported on this event and the promoting of the Eco-Industrial Project to the State legislators.

Cliffs Invitation – The Council reviewed an invitation to a breakfast in Virginia on March 8. It was noted that the no Council members would be able to attend this event.

Mayor Johnson reviewed an update from the NorthEast Service Coop. regarding the Middle Mile Fiber Optic Project.

Mayor Johnson reviewed a letter from Home Service, a private company, about water service line coverage. Miller reported on his research on this subject. This subject was forwarded to Miller.

City Administrator

Police Department Thank You and donation – The Council reviewed a letter thanking the Police Department for their recent assistance, and noted that a \$300 donation of non-restricted funds was received with this letter.

Northshore Mining Donation – It was noted that Northshore Mining has donated \$10,000 to the City for use on the Mary MacDonald ball field and playground project.

Resolution 2011-11b – It was noted that only the date had been changed from the original resolution. Motion by Perfetto, second Marolt to adopt Resolution 2011-11b declaring position of police officer, Gregory Moe, with an effective date to be PERA eligible of February 15, 2012.

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

RESOLUTION 2011-11b WAS ADOPTED. 4 aye, 0 nay, 1 absent

Resolution 2011-22 – Motion by Marolt, second J Johnson to adopt Resolution 2011-22 declaring position of police officer, Michael Aho, with an effective date to be PERA eligible of February 16, 2012.

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

RESOLUTION 2011-22 WAS ADOPTED. 4 aye, 0 nay, 1 absent

Mobile and Portable Radios for Police and Fire Departments – It was noted that Lake County is eligible to receive an \$8,000 grant for the purchase of two mobile radios and two portable radios that comply with the new ARMER radio system, and that the County will pay for the \$2,500 matching funds for this project. There was discussion that the City will own the radios and will have the responsibility to maintain them. Motion by J Johnson, second Marolt to approve for Lake County to submit a grant, on behalf of the City, for two mobile radios for the Police Dept. and two portable radios for the Fire Dept. MOTION CARRIED.

Resolution 2011-23 – It was noted that there has been \$112,000 already set aside for the purchase of a new fire truck, and that the auditors recommend the Council commit this money, by resolution, for this project due to the GASB 54 requirements. Motion by J Johnson, second Perfetto to adopt Resolution 2011-23 commitment of \$112,000 of the General Fund unrestricted fund balance for the purchase of a fire truck.

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

RESOLUTION 2011-23 WAS ADOPTED. 4 aye, 0 nay, 1 absent

Lake County Fiber Optic Franchise Agreement – It was noted that the public hearing scheduled for 6:00p.m. on this date had been cancelled, due to notification requirements. Motion by Perfetto, second Marolt to set a public hearing for 6:00p.m. on March 19, 2012 for adoption of a Franchise agreement with Lake County. MOTION CARRIED.

City Attorney – No business was presented by the attorney.

OLD BUSINESS

Pull Tab Sales, Municipal Liquor Store – Fralich reported that the research done by her and the Attorney suggest that the bartenders would not be able to sell pull-tabs at the Liquor Store. The Liquor Control Commission recommends allowing the Isabella Community Council to sell pull-tabs in the Municipal Liquor Store, with the Store receiving \$200 a month. There was discussion about the options for possible investigation fees, gambling tax, and restrictions on the use of funds. Motion by Perfetto, second J Johnson to approve for the Isabella Community Council to sell pull-tabs at the Municipal Liquor Store, with the Store receiving \$200 a month for the use of the space. MOTION CARRIED.

NEW BUSINESS

Water Department Boiler – Miller reported that the water plant is set up with one heating zone for the entire building, which is not energy efficient and causes an overheating of some areas. The Council reviewed a quote from P & R Plumbing for this project for approximately \$20,000, and there was discussion about the engineering work on the 2007 boiler installation and the new boilers at the wastewater plant. Motion by Perfetto, second Marolt to move forward with the Water Plant Boiler upgrade project. MOTION CARRIED.

Ballot Question – The Council reviewed MN Statute 205.10, Municipal Special Election and reviewed the criteria for adding a question to the ballot and petitions to add a question to the ballot. There was discussion about a public utility ballot question, a possible deer feeding question, developing criteria for ballot questions and whether or not a question would be legally binding.

Claims – Motion by Perfetto, second Marolt to approve payment of \$73,305.79 paid claims and \$189,469.41 in unpaid claims. MOTION CARRIED.

The Council congratulated the 12-U Girls hockey team and the North Shore PeeWee B-1 hockey team for advancing to the State Tournament.

The Council went into closed session from 7:57p.m. until 8:07p.m. , to discuss a personnel issue. No action was taken in the closed session.

Mayor Johnson reopened the regular session at 8:08p.m.

Motion by Marolt, second J Johnson to adjourn at 8:09p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem