

**CITY COUNCIL**

7:00 P.M.

May 18, 2009

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

Lana Fralich, City Administrator  
Wayne Johnson, City Attorney  
Gerald Morris, Asst. City Attorney  
Jon Monacelli, Spectrum Health Companies

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

**Agenda** – MPCA Grant for Eco-Industrial Project was added to the City Administrator's report. Motion by Perfetto, second Kelley to approve the agenda as amended. MOTION CARRIED.

Wayne Johnson submitted his resignation as City Attorney, because of health reasons. Johnson has served as City Attorney since 1956. He stated that it has been a privilege to serve the City and to work with the many dedicated Mayors and Councilors over the years. He also recommended that the Council appoint Gerald Morris as the City Attorney. Mayor Johnson and each of the Councilors thanked Johnson for his many years of service to the City.

Motion by Perfetto, second Marolt that with deep regret the Council accept the resignation of Wayne Johnson as the City Attorney. MOTION CARRIED.

Motion by Perfetto, second Marolt to appoint Gerald Morris as the City Attorney. MOTION CARRIED.

**Consent agenda** – Motion by Kelley, second Gustafson to approve the minutes of the May 4 regular council meeting, the May 11 special council meeting and the January 2009 Treasurer's Report. MOTION CARRIED.

**Petitions, Requests and Communications**

**Lake County Board of Commissioners Meeting** – The Lake County Board of Commissioners will be conducting a 'Committee of the Whole' meeting at City Hall on Tuesday, May 19 at 6:30p.m. to discuss the needs of the City. A quorum of the Council will be at the meeting for discussion, but no action will be taken by the Council.

## Departments

### City Administrator

**Resolution 2009-28 Assisted Living Center** – Monacelli reported that Spectrum Health Companies is currently working on assisted living centers in Ely and Cook Minnesota. He reported that Spectrum is looking to secure financing for the Silver Bay project. There was discussion about the Assisted Living Center project. The City will provide land and infrastructure improvements for the project. A marketing study has been done. Potential sites have been identified. The level of care that will be available was also discussed.

Motion by Gustafson, second Perfetto to adopt Resolution 2009-28. A Resolution authorizing the City of Silver Bay to make application to the Iron Range resources 2009 Public Works Infrastructure Grant Program for the assisted living project known as Spectrum House – Silver Bay, Minnesota.

Roll call vote:

Member Gustafson – aye

Member Perfetto – aye

Member Kelley – aye

Member Marolt – aye

Mayor Johnson – aye

THE RESOLUTION WAS ADOPTED 5 aye, 0 nay.

**Home Use Occupation Permit, Carlene Perfetto** – The Planning and Zoning Committee recommended approval of a Home Use Occupation Permit to Carlene Perfetto at 156 Edison Blvd. for the purpose of a Watkins Home Products business. She has gone through the proper public hearings and no comments were received. She has provided proof of ownership. Motion by Kelley, second Marolt to approve a Home Use Occupation Permit to Carlene Perfetto at 156 Edison Blvd. Mayor Johnson and Councilors Gustafson, Kelley and Marolt voted aye. Perfetto abstained. MOTION CARRIED.

**Seasonal Employment** – The Personnel Committee recommended the hiring of Cory Nelson as a Utilities Department Aide at \$7.40 per hour. Motion by Kelley, second Perfetto to hire Cory Nelson as a Utilities Department Aide at \$7.40 per hour. MOTION CARRIED.

**J and M Multiple Year Extension and Fireworks Permit** – There was discussion about the contract extension and the permit. Motion by Perfetto, second Kelley to approve the Multiple year extension agreement with J and M Displays Inc. MOTION CARRIED.  
Motion by Kelley, second Perfetto to approve the permit for display of fireworks / pyrotechnic special effects. MOTION CARRIED.

**Contract with API for Wastewater Treatment Facility** – The Public Utilities Commission recommended that the Council accept a bid of \$8,500 from API Electric to replace a transfer switch at the Wastewater treatment facility. There

was discussion that this item was not currently in the budget, that the Public Utilities supervisor felt that they could balance the 2009 budget with this improvement included, but if the budget did not balance at the end of the year this item would come out of the reserve funds. Motion by Perfetto, second Marolt to enter into contract with API Electric for \$8,500 to replace a transfer switch at the Wastewater treatment facility. Mayor Johnson and Councilors Gustafson, Perfetto and Marolt voted aye. Councilor Kelley voted nay. MOTION CARRIED.

**MPCA Grant for Eco-Industrial Project** – The City has been awarded \$40,000 by the MPCA for a feasibility study for the Eco-Industrial Project. Signed agreements must be submitted to the MPCA by June 2. Motion by Kelley, second Perfetto to authorize the Mayor and the City Administrator to enter into a grant agreement with the Minnesota Pollution Control Agency for the Eco-Industrial project, upon review by the City Attorney. MOTION CARRIED.

**City Attorney** – Morris thanked the Council for his appointment as City Attorney.

OLD BUSINESS – No old business was presented.

#### NEW BUSINESS

**City Billboard Signing** – Kelley reported that the SBATA is working on updating and possibly relocating the billboards along State Highway 61 that promote the City, tourism and local businesses. The City currently pays the permit fees for two billboards. The SBATA and local businesses would fund this project. Motion by Marolt, second Gustafson to allow the Silver Bay Area Tourism Association to work with the City Administrator on a billboard renovation and relocation project. Mayor Johnson and Councilors Gustafson, Perfetto and Marolt voted aye. Councilor Kelley abstained. MOTION CARRIED.

**Claims** – Motion by, second to approve payment of \$86,692.48 paid claims and \$94,692.95 unpaid claims as presented. MOTION CARRIED.

The City Administrator reported that the Minnesota Legislature has approved funding of \$50,000 to the City for the costs of clean up from the ice storm.

The Council expressed their regret that the Lake County Chronicle no longer employs Forrest Johnson, who has reported on the Council meetings.

Motion by Perfetto, second Gustafson to adjourn at 7:35p.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