

CITY COUNCIL

7:00 P.M.

October 7, 2013

Present: Joanne Johnson
Dustin Goutermont
David Gustafson
Carlene Perfetto

Steven Marolt – excused

Lana Fralich, City Administrator
Pete Morris, City Attorney
Rich Sve, County Commissioner
Jeff Roiland, Lake Connections
Pam Sarvela, Minnesota Energy
Kitty Mayo, Northshore Journal
Tammy Francois, Lake County News Chronicle
Dave Johnson, Frank Mochette

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

Agenda – Lake Connections was added to communications, and Semi-Parking was added to new business. Motion by Goutermont, second Perfetto to approve the agenda as amended. MOTION CARRIED.

Consent Agenda – Motion by Perfetto, second Goutermont to approve the minutes of the September 16, 2013 regular Council meeting, and the August 2013 treasurer's report. MOTION CARRIED.

Petitions, Requests and Communications

LMC Regional Meeting – The Council reviewed information about the League of Minnesota Cities regional meeting in Hibbing on October 23.

AEOA Energy Efficiency Programs – The Council reviewed information about AEOA grant programs available to businesses and home owners to make energy efficient improvements to their buildings.

Lake Connections – Sve and Roiland gave an update on the fiber optic project and the construction work being done to the Police/City Hall building. There was discussion about the timeline of the project, funding for this project, fees for services, and services that will be available.

City Administrator

Resolution 2013-37 – The Council reviewed a proposed Code amendment to Section 1310 to renew the gas franchise with Minnesota Energy. There was discussion about the timeline for restoration, the term of the agreement, franchise fees that are flat rate fees, the restricted use of the fees, and options for action of the council. It was noted that fees will be restricted to use for the repairs, maintenance, and/or replacement of city streets, curbs, gutters, sidewalks, and

public parking areas. Motion by Perfetto, second Goutermont to adopt Resolution 2013-37 amending City Code Chapter 13, Section 1310, Gas Franchise, with an amendment to set the franchise fee to \$3 per premise, and to amend 1310.10.14 to read "Minnesota Energy Resources".

Member Goutermont – aye
 Member Perfetto – aye
 Member Marolt – absent

Member Gustafson – aye
 Mayor Johnson – aye

RESOLUTION 2013- 37 was ADOPTED. 4 aye, 0 nay, 1 absent

Resolution 2013-38 – The Council reviewed information about installing gas lines to the water and wastewater plant, and it was noted that due to safety and terrain issues, the route of the line to the wastewater plant has been changed, resulting in an increase to the installation costs. It was noted that the easement for the gas line to the wastewater plant will be between Northshore Mining and Minnesota Energy. The City will be required to sign the Contribution in Aid of Construction (CIAC) letter and submit payment of \$15,611 for the water plant and \$15,087 for the wastewater plant. Motion by Perfetto, second Gustafson to adopt Resolution 2013-38 authorizing to execute the contribution in aid of construction of gas service contract with Minnesota Energy for the installation of a natural gas to the City wastewater and water plants.

Member Goutermont – aye
 Member Perfetto – aye
 Member Marolt – absent

Member Gustafson – aye
 Mayor Johnson – aye

RESOLUTION 2013- 38 was ADOPTED. 4 aye, 0 nay, 1 absent

Resolution 2013-39 – The Council reviewed an amended version of the proposed Code amendment to Section 1300 to renew the electric franchise with Minnesota Power. There was discussion about franchise fees, and it was noted that customers with dual fuel meters would not be charged a second fee for these meters. Motion by Gustafson, second Perfetto to adopt Resolution 2013-39 amending City Code, Chapter 13, Section 1300, Electric Franchise, with the amendments presented, and with an amendment to set the franchise fee to \$3 per meter.

Member Goutermont – aye
 Member Perfetto – aye
 Member Marolt – absent

Member Gustafson – aye
 Mayor Johnson – aye

RESOLUTION 2013- 39 was ADOPTED. 4 aye, 0 nay, 1 absent

Resolution 2013-40 – The Council reviewed the proposed fire service contract Beaver Bay Township. There was discussion about the Fire Dept. responding to calls in the area covered by the Beaver Bay Fire Dept., how the issue of the Rocky Wall Area detachment proposal might affect this contract, and the calculation used for fire protection services. There was a consensus to sign a one year contract for \$18,000, and have the Administrator work on the 2014 fire protection contract to be comparable to other agreements based upon the formulary calculation used. Motion by Goutermont, second Gustafson to adopt Resolution 2013-40 authorizing to execute a fire protection agreement with the Town of Beaver Bay, with an amendment to change the term of the contract to be from June 1, 2013 to May 31, 2014.

Member Goutermont – aye
 Mayor Johnson – aye
 Member Marolt – absent

Member Gustafson – aye
 Member Perfetto – nay

RESOLUTION 2013- 40 was ADOPTED. 3 aye, 1 nay, 1 absent

Resolution 2013-41 – It was noted that a resolution is needed for the agreement that was approved at the September 16 meeting. Motion by Gustafson, second Perfetto to adopt Resolution 2013-41, authorizing to execute a Minnesota Department of Transportation Grant Agreement for Airport Maintenance and Operation..

Member Goutermont – aye

Member Gustafson – aye

Member Perfetto – aye

Mayor Johnson – aye

Member Marolt – absent

RESOLUTION 2013- 41 was ADOPTED. 4 aye, 0 nay, 1 absent

Student Worker Hirings – The Park and Recreation Director and the personnel committee recommend hiring Troy LeBlanc and Bradley Rowlee to part-time seasonal positions. Motion by Perfetto, second Goutermont to hire Troy LeBlanc and Bradley Rowlee as part-time seasonal employees to the Parks and Recreation Department, starting October 27, at the rate of \$7.25. MOTION CARRIED.

Training, Jason Roswold – The Public Utilities Commission recommends sending Roswold to this training, to receive credits for his required licensing. Motion by Perfetto, second Gustafson to approve for Jason Roswold to attend the MN Pollution Control wastewater treatment seminar in Vadnais Heights on December 3-5 for \$300, three nights hotel stay at \$99 per night + tax, and regular meals and mileage. MOTION CARRIED.

Lake County Lease Amendment – The Council reviewed an amendment to the agreement to lease space at the Mary MacDonald Center, to include the space used by the Golden Agers in the County's lease. It was noted that the County has already paid the 2013 lease amount for the Golden Agers. Motion by Goutermont, second Perfetto to approve an amendment to the lease with Lake County, and to terminate the lease agreement with the Golden Agers. MOTION CARRIED.

Cedar Tree Agreement Amendment – It was noted that Cedar Tree has completed their work on the greenhouse expansion project, and that the City has decided to delay the final approval by the Council, at this time. The EDA recommends amending the final payment for the agreement for the greenhouse expansion project to pay \$2,375, and hold \$125 until the project is approved. Motion by Perfetto, second Gustafson to amend the agreement with Cedar Tree Enterprises for the greenhouse expansion project. MOTION CARRIED.

Resolution 2013-42 – The Council reviewed information about this grant program. It was noted that that three applications for the public utilities upgrade, the Mary MacDonald rehabilitation project and the campground will be submitted, and that these are the same projects that were submitted for State bonding monies. Motion by Perfetto, second Goutermont to adopt Resolution 2013-42 authorizing to make application to, and accept funds from the IRRRB Public Works Grant program.

Member Goutermont – aye

Member Gustafson – aye

Member Perfetto – aye

Mayor Johnson – aye

Member Marolt – absent

RESOLUTION 2013- 42 was ADOPTED. 4 aye, 0 nay, 1 absent

Cedar Tree Agreement Amendment – It was noted that this agreement was for work to be done on the wind turbine portion of the greenhouse #1 project, and that the City has decided not to move forward with the wind turbine and to pursue solar power for the greenhouse. The EDA

recommends amending this contract to reflect this change. Motion by Perfetto, second Gustafson to amend the agreement with Cedar Tree Enterprises for the greenhouse #1 project. MOTION CARRIED.

Golf Course Equipment Leases – The Council reviewed a payment schedule for equipment that is needed at the golf course. These equipment purchases would replace the Greens mower, Cushman Truckster, and the golf cart fleet, and add a Tru Turf roller. It was noted that this payment schedule would not change the proposed 2014 budget, and that in future years the budgeted amount for these equipment payments would return to the \$7,000 level. Motion by Gustafson, second Perfetto to authorize to sign a lease agreement with E-Z Go for a Tru-Turf roller, and to move forward with lease and repayment agreements for the Greens mower, Cushman Truckster, and the golf cart fleet. MOTION CARRIED.

City Attorney – No business was presented by the attorney.

OLD BUSINESS

Rocky Wall Detachment Proposal – There was discussion about the timeline of the decision making process, forming a special rural district for the rocky wall area and other options available to the City concerning this issue. There was discussion about forming a committee to meet with the petitioners, research the issue and bring a recommendation back to the Council. Motion by Gustafson, second Goutermont to form a review committee consisting of Mayor Johnson, Councilor Gustafson, the attorney and the administrator, for the Rocky Wall Detachment Proposal issue. MOTION CARRIED.

NEW BUSINESS

Resignation, Tim Bjella – The Council reviewed an e-mail from Bjella resigning from the Public Works Commission, due to the fact that he has moved out of the City. Motion by Gustafson, second Goutermont to accept the resignation of Tim Bjella and declare a vacancy on the Public Works Commission. MOTION CARRIED. The Mayor thanked him for his service with the city.

Parking – There was discussion about whether or not to allow parking on the east side of Shopping Center Drive where there currently is no parking, and about this street being used by emergency vehicles. This issue was forwarded to the Safety Committee and the Planning and Zoning Commission.

Claims – Motion by Perfetto, second Goutermont to approve payment of \$119,543.14 in paid claims and \$84,215.12 in unpaid claims. MOTION CARRIED.

Motion by Perfetto, second Goutermont to adjourn at 8:56p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

Joanne Johnson, Mayor

Lana Fralich, City Administrator