

CITY COUNCIL

7:00 P.M.

Monday, December 16, 2019

Present: Mayor Scott Johnson
 Carlene Perfetto
 Richard DeRosier
 Dustin Goutermont
 Shane Hoff

Curt Anderson
 Merle McDonald
 Dianna Wicks
 Jon Mattila
 Larry Wicks
 Carol Warrick
 Sandra McDonald
 Jim Mattila
 Christine Mattila
 Hayley Mattila
 Sadie Dillihay
 Deputy Alex McGrath

Lana Fralich – City Administrator
 Teri Cadeau – Lake County News Chronicle
 Joe Rhein – Bolten & Menk
 Chief Scott Kochendorfer
 Officer Cole Ernest
 Officer Nick O’Toole
 Officer Sean Bergman

Mayor Johnson called the meeting to order at 7:01 p.m.

Agenda – Motion Goutermont, second Perfetto to approve the agenda . MOTION CARRIED.

Consent Minutes – Motion by Hoff ,second Derosier to approve the minutes from the December 2, 2019. MOTION CARRIED.

Treasurer’s Report - September 2019 – The Treasurer’s report for September was reviewed. Motion by Hoff, Second DeRosier to approve the September 2019 Treasurer’s Report MOTION CARRIED.

Swearing in of Officer Hayley Mattila – Johnson administered the Oath of Office to Officer Mattila. Her father pinned her badge on her. Chief Kochendorfer welcomed Mattila to the department and community.

7:07 P.M. – Merle McDonald, Dianna Wicks, Larry Wicks, Carol Warrick, Sandra McDonald, Jim Mattila, Sadie Dillihay, Hayley Mattila, Deputy Alex McGrath excused themselves from the meeting.

Petitions, Requests and Communications-

Lake County Sex Trafficking Proclamation – The Proclamation was presented proclaiming the month of January 2020 as National Human Trafficking Awareness Month. A candlelight vigil will be held on January 9th, 2020 at the Courthouse in Two Harbors and that the City Attorney plans to attend. Motion Perfetto, second DeRosier to approve the National Human Trafficking Awareness Month January 2020 Proclamation. MOTION CARRIED.

Thank You - Nick O’Toole – Officer Nick O’Toole received a thank you from a member of the public for his outstanding professionalism for work in a situation he recently encountered. The City thanks Officer O’Toole for his service and a job well done.

7:11 P.M. – Chief Scott Kochendorfer, Officer Cole Ernest, Officer Nick O’Toole, Office Sean Bergman excused themselves from the meeting.

City Administrator

Beer, Liquor, Wine, Cigarette, & Optional 2AM Liquor License Renewals: The license renewals for 2020 were presented: Zupancich Brothers, Inc – Cigarette License, Bri-Esa’s Convenience Store – Cigarette License, Silver Bowl – Retail On-Sale Beer and Liquor License, Northwoods Family Grille – Retail On-Sale Beer and Wine License, Silver Bay Golf Course – Retail On-Sale Beer and Liquor License, and Silver Bay Municipal Lounge – On and Off Sale Liquor and Optional 2AM Liquor License. Motion Perfetto, second Goutermont to approve the Beer, Liquor, Wine, Optional 2AM Liquor, and Cigarette License Renewals. MOTION CARRIED

2020 Water and Sewer Rates: The water and sewer rates for 2020 were presented for approval with no changes to the current rates. Motion by DeRosier, second Perfetto MOTION CARRIED.

2020 Council Meeting Dates and Holidays: The 2020 Regular Council meeting dates and holiday dates were presented for approval. Motion by Hoff, second Goutermont to approve the 2020 Council meeting dates and holidays. MOTION CARRIED.

Home Occupation Renewals: The Home Use Occupation Permit application renewals for 20 Hays Circle, 45 Nelson Drive, 24 Law Drive, 69 Nelson Drive, and 110 Edison Boulevard were presented for approval. Motion Carlene, second Hoff to approve the Home Occupation permit renewals for 20 Hays Circle, 45 Nelson Drive, 24 Law Drive, 69 Nelson Drive, and 110 Edison Boulevard. Motion by Perfetto, second Hoff to approve the above Home Use Occupation Permit renewals. Goutermont expressed concern about enforcement of the amount of vehicles parked at 110 Edison Boulevard and suggests the enforcement be addressed in the summer. MOTION CARRIED.

Insurance Liability Waiver: Motion by Perfetto, second Goutermont to approve the Insurance Liability Coverage Waiver Form stating that the City does NOT waive the monetary limits on municipal tort liability established by Minn. Stat. 466.04. MOTION CARRIED.

2020 Building Official Contract: The contract renewal for City Building Official with Gary Thompson was presented. There were no changes to the contract. Motion by DeRosier, second Hoff to approve the 2020 Building Official Contract with Gary Thompson. Anderson asked the Council what the monthly rate is and if there is any retainer fee. Fralich reported it is a \$300 monthly fee, with an additional \$30 per inspection fee that will be paid annually. MOTION CARRIED.

2020 Fire Administrator Contract: The contract renewal for Fire Administration services with Michael Rowlee was tabled to the next meeting per policy for fire department items. Motion by Perfetto, second Goutermont to table the 2020 Fire Administrator contract until the next meeting. MOTION CARRIED.

2020 Mary Mac Manager Contract: The contract renewal for Mary Mac Manager with Juel Salveson was presented. There were no changes to the contract. Motion by DeRosier, Second Perfetto to approve the 2020 Mary Mac Manager Contract with Juel Salveson at \$35/hour limited to 20 hours/week unless otherwise authorized by the City Administrator. MOTION CARRIED

2020 Janitorial Contract – Library: The contract renewal for the Library's Janitorial Contract with Gillian Lattin was presented. The Library Board recommend an increase to \$450/month based upon Gillian Lattin recent proposal, the seasonal cleaning charges remain the same at \$10/hour. There is a new \$30/occurrence for exterior window cleaning. No other changes to the contract. Motion by Perfetto, second Hoff to approve the 2020 Library Janitorial Contract with Gillian Lattin as presented. MOTION CARRIED.

2020 Janitorial Contract – City Hall: The contract renewal for the City Janitorial Contract with Jones Cleaning Service was presented. Motion by Hoff, second DeRosier to approve the 2020 City Hall/Police/Animal Pound Janitorial Contract with Jones Cleaning Services as presented for a total cost of \$775/month; plus \$75 annually for exterior window cleaning; plus \$25/occurrence for sweeping of police garage; plus \$25/occurrence for cleaning of animal pound cleaning when needed. All cleaning in the Police Department must be done with an officer present. MOTION CARRIED.

2020 Janitorial Contract – Liquor Store: The contract renewal for the Liquor Store Janitorial Contract with Jones Cleaning Service was presented. Motion by DeRosier, second Goutermont to approve the 2020 Liquor Store Janitorial Contract with Jones Cleaning and Building Services for a total cost of \$1,500/month; plus \$75 annually for window cleaning. MOTION CARRIED.

Mayor noted that there will be a closed session for labor contracts and wage discussion.

2020 Janitorial Contract – Reunion Hall: The contract renewal for the Reunion Hall Janitorial Contract with Juel Salveson was presented. Motion by DeRosier, second Hoff to approve the 2020 Janitorial Contract with Juel Salveson with the following rates \$350/occurrence for full cleaning services, \$250/occurrence for partial cleaning services, \$1,500/occurrence for floor cleaning services, and \$20/occurrence for entry windows. Motion Carried.

Golf Course Septic System: The septic system at the Silver Bay Golf Course has become obsolete and needs to be replaced before the golf course opens in 2020. The City Engineering firm and a local certified septic installer, Terra Firma, provided options and permitting requirements. Upon review and discussions with both parties, it is in the best interest of the City to use Scott Robinson from Terra Firma. The first phase will be the design and permitting that Robinson is certified to do. The second phase will be to install proper holding tanks of which the City will pump and run through the wastewater system. There will also be a meter installed to determine the proper water flow. The third phase would take place if we were required to do a drain field, mound system, etc. The reason we are hoping to do in three phases is because based upon the existing fixtures in the facility, that are not used, would likely create an overbuilt system if built up front. Installing the meter to determine actual flows will likely be our most economical solution. We hope the self-contained system in Phase 1 will complete the project. Terra Firma's proposal estimates it

will cost \$15,000 for the design, permitting, and installation of Phase 1. Motion by DeRosier, second Goutermont to accept Terra Firma's proposal for Phase 1 and Phase 2 of this project, with Phase 3 to be decided at a later date. MOTION CARRIED.

Resolution 2019 - #52 Black Beach Campground Loan: Documents to obtain a loan in the amount of \$350,000 for the Black Beach Campground was presented. This amount may be higher than needed, and if any additional grant dollars or excess funds relating to the loan will be applied to the loan. The majority of the funds will be used for the building. Fryberger Law Firm created the documents for the bond payment. The annual bond payment will be \$31,193.90 beginning December 2020. It is a 15-year loan at 3.87%, with no penalties for paying off early. Minnesota Power has awarded a \$20,000 grant as sponsor of the campground playground. Motion by Goutermont, second DeRosier to approve the Black Beach Campground loan in the amount of \$350,000.

Mayor Johnson – Aye
Member Perfetto – Nay
Member Hoff - Aye

Member Goutermont – Aye
Member DeRosier - Aye

RESOLUTION 2019 - 52 WAS ADOPTED: 4 aye, 1 nay, 0 absent

Resolution 2019 - #53 2020 FINAL Budget: There are changes to the budget from the proposed budget which include the following: wages and benefit changes after Labor Negotiations, the portion of 2019 projects that were originally expected to be completed in 2019 carried over into 2020, the addition of the golf course septic system, additional general engineering costs, adjustments for the preliminary treatment and the primary clarifier project, and the 2019 sidewalk project moved into 2020 expense. The overall City budget in the original budget expected to have a balanced/positive budget; however, the final budget will show the use of reserves, due to the shift of planned reserves from 2019 into 2020. The final budget does not change the levy amount. Motion by Perfetto, second Hoff to approve the 2020 final budget as presented.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff - Aye

Member Goutermont – Aye
Member DeRosier - Aye

RESOLUTION 2019 - 53 WAS ADOPTED: 5 aye, 0 nay, 0 absent

Resolution 2019 - #54 2020 FINAL Levy: There were no changes from the proposed Levy amount presented in September. Motion by Perfetto, second DeRosier to approve the 2020 Levy as presented.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff - Aye

Member Goutermont – Aye
Member DeRosier - Aye

RESOLUTION 2019 - 54 WAS ADOPTED: 5 aye, 0 nay, 0 absent

Personnel Policies: The City's Personnel Policies were updated based primarily on the updated League of MN Cities recommended template. There was an additional amendment to max vacation

payout up leave in good standing to eight (8) weeks in an effort to encourage use of vacation time. The policies were reviewed by both unions. Motion by DeRosier, second Perfetto to approve the revised Personnel Policies effective January 1, 2020. MOTION CARRIED.

The Mayor stated that the Street Department has been doing an excellent job. The sidewalks should be cleared by the end of the week, the side walk machine is back up and running. The Mayor would like to ask citizens to try not to pile up snow on the sidewalks. If any citizens have damage to their grass from snow removal from the city please advise the City.

City Attorney

Resolution 2019 - #55 Fredrickson Addition Cul-de-sac Vacation and Dedication: The city has received a request from Shelley Fredrickson to move a non-built cul-de-sac from one of her lots in the Fredrickson Addition to the adjacent lot in order to allow her to make a lot a buildable lot for sale. A public hearing is required. Motion by Goutermont, second Hoff to set a public hearing for January 21, 2020 at 7:00pm to take comment regarding the vacation and dedication of the cul-de-sac as presented.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff - Aye

Member Goutermont – Aye
Member DeRosier - Aye

RESOLUTION 2019 - 55 WAS ADOPTED: 5 aye, 0 nay, 0 absent

7:43 P.M. Jon and Christine Mattila excused themselves from the meeting.

Costley and Morris Attorney Contract Renewal – The contract renewal for the City Attorney with Tim Costley was presented. There were no changes to the contract. Motion by Hoff, second Perfetto to accept the renewal contract of Costley and Morris at \$3,500 per month and \$150.00 per hour for services as stated in the contract agreement. MOTION CARRIED.

7:44 P.M. Curt Anderson excused himself from the meeting.

7:44 P.M. Closed Session for Labor Negotiations and wage discussion.

7:59 P.M. Re-opened for Regular Council Meeting.

OLD BUSINESS

NEW BUSINESS

Labor Contract – Teamsters: The Labor Contracts, that were based off of negotiations, were presented for approval. The three-year contract amendment included changes to wages, Health Insurance Cap, shift differential, additional cash benefits, sick leave payout, vacation payout, and adjustments for personnel policies updates. Motion by Perfetto, second Hoff to approve the Teamsters contract as presented. MOTION CARRIED.

Labor Contract – Local 49ers: The Labor Contracts, that were based off of negotiations, were presented for approval. The three-year contract amendment included changes to wages, Health Insurance Cap, shift differential, additional cash benefits, sick leave payout, vacation payout, and adjustments for personnel policies updates. Motion by DeRosier, second Goutermont to approve the Local 49ers contract as presented. MOTION CARRIED.

2020 Wages: The 2020 Wages were presented based upon Labor Negotiations, adjustment for confidential employees recommended by Personnel Committee, and an amendment to Article 3 of Administrator Contract. Motion by DeRosier, second Perfetto, to approve the 2020 wages with changes. MOTION CARRIED.

Fire Department Resignation: The City received a letter of resignation from the Fire Department from Derek VanHouse. Motion by Perfetto, second Goutermont to accept Derek VanHouse's resignation from the Fire Department effective November 1, 2019. The City thanks him for his service. MOTION CARRIED.

Board Appointments: It is recommended that Gary Stevens be reappointed to the Public Utilities Commission and Wade LeBlanc be reappointed to the EDA Board. Motion by Hoff, second Goutermont to reappoint Gary Stevens to the Public Utilities Commission and reappoint Wade LeBlanc to the EDA Board. MOTION CARRIED.

2019 Year in Review: A year-end review was presented of various happenings of the City that are outside of normal daily activities, such as Black Beach Campground, Water Looping Project, Sanitary Sewer Improvements, City Hall Roof and HVAC replacement, Street Department Roof and Wall repairs, Liquor Store Roof improvements, planting of 200 trees, retirement and hiring of Police Chief and Parks and Rec Director positions, addition of North Shore Adventure Park, and many other events. The Council thanked the staff, city attorney, city engineer, board and commission members, and the public for their support.

Claims – Motion by Goutermont , second Hoff to approve payment of \$94,349.24 in unpaid claims and \$33,679.87 in paid claims. MOTION CARRIED.

Motion by Perfetto, second Hoff to adjourn at 8:26P.M. MOTION CARRIED.

Minutes taken by Lindsey Klemmer

Attest:



 Scott M Johnson, Mayor



 Lana Fralich, City Administrator