

CITY COUNCIL

7:00 P.M.

Monday, December 21, 2020

Present: Mayor Scott Johnson
 Carlene Perfetto
 Dustin Goutermont
 Richard DeRosier

Absent - Shane Hoff

Joe Rhein – City Engineer
 Wade LeBlanc
 Lana Fralich – City Administrator
 Timothy Costley – City Attorney (via ZOOM)
 Ben Bautch (via ZOOM)

Mayor Johnson called the meeting to order at 7:00 p.m. noting that due to COVID-19, this meeting will be conducted virtually so all votes will be by roll call.

Agenda – Motion by Perfetto second DeRosier to approve the Agenda with the addition of November 2020 Treasury Report under Consent Agenda and Resolution 2020-#63, Resolution 2020-#64 and Resolution 2020-#65 under City Attorney. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

Consent Agenda – Motion by Perfetto, second DeRosier to approve minutes from the December 7, 2020 Regular City Council Minutes with the revision for clarification of people who attended in-person versus those in attendance via ZOOM only; also, to approve the October 2020 & November 2020 Treasurer's Reports. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

Petitions, Requests and Communications

SBATA – Floyd Baker – Floyd Baker addressed the City Council Board as the new Silver Bay Area Tourism Association (SBATA) president to discuss the Council's intentions for the Lodging Tax as SBATA is working on rebranding itself to increase participation and overall involvement in tourism. There was discussion regarding Council seeking special legislative approval to change the use of the lodging tax funding and the timeline for obtaining that approval.

City Administrator

Resolution 2020-#58 Final 2021 Budget – The Council reviewed and discussed the submission of the 2021 Final Budget based upon discussion at the December 7th Truth in Taxation meeting. Motion by DeRosier, second Goutermont to adopt Resolution 2020-#58 and approve the 2021 Fiscal Year Budget as presented for the Revenue amount of \$7,360,420 and the Expenditure amount of \$7,465,815. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

RESOLUTION 2020-#58 - WAS ADOPTED: 4 Aye, 0 Nay, 1 Absent

Resolution 2020-#59 Final 2021 Levy – The Council reviewed and discussed the submission of the 2020 Collectible 2021 Tax Levy. Motion by Goutermont, second Perfetto to adopt Resolution 2020-#59 and approve the 2020 Collectible 2021 Tax Levy for the amount of \$1,576,760. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

RESOLUTION 2020-#59 - WAS ADOPTED: 4 Aye, 0 Nay, 1 Absent

Resolution 2020-#60 IRRRB Grant Amendment - Preliminary Treatment Primary Clarifier Project
 The Council reviewed an amendment to the IRRRB Grant Agreement for the Preliminary Treatment Primary Clarifier Project to amend the expiration date to June 30, 2021. Motion by Perfetto, second DeRosier to adopt Resolution 2020-#60 extending the grant date to June 30th 2021. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

RESOLUTION 2020-#60 - WAS ADOPTED: 4 Aye, 0 Nay, 1 Absent

Resolution 2020-#61 IRRRB Grant Amendment – Outer Drive Beautification Project–
 The Council reviewed an amendment to the IRRRB Grant Agreement for the Outer Drive Beautification Project to amend the expiration date to December 31st 2020. Motion by DeRosier, second Goutermont to adopt Resolution 2020-#61 extending the grant date to December 31st 2021. MOTION CARRIED.

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

Member Goutermont – Aye
 Member DeRosier – Aye

RESOLUTION 2020-#61 - WAS ADOPTED: 3 Aye, 1 Nay, 1 Absent

Resolution 2020-#62 Contract Amendment – Utility Systems of America – City Engineer Joe Rhein address the final items needing approval for the close out of the water looping project. This includes approval of a contract amendment to reduce the contract by \$1,136.79 for a total contract price of \$166,250.71. In addition, Utility Systems of America has offered a \$500 credit, from the final payment, due to turf establishment, which is acceptable to the City Public Works and Public Utilities Superintendents. Further discussion included that the project overall came in approximately \$4300 under budget. Motion by Perfetto, second by DeRosier to approve Resolution 2020-#62 accepting the reduction in the contract to \$166,2570.71 and the \$500 credit and authorize closure of the construction contract for the Water Looping Project. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

RESOLUTION 2020-#62 - WAS ADOPTED: 4 Aye, 0 Nay, 1 Absent

Northwoods Liquor License – The Council reviewed an application for a full liquor license from The Northwoods Café for Monday- Saturday sales and transfer the liquor license from Floyd Baker to Everette Haselow as the new owner. Motion by Goutermont, second DeRosier to approve 2021 Northwoods Liquor License and approve the transfer of ownership from Floyd Baker to Everette Haselow. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

2021 Fire Administrator Contract – The Council reviewed the 2021 Fire Administrator Contract with Michael Rowlee Jr. This topic was tabled until the next City Council Meeting due to not all members being present.

Lake County Lease Agreement – The Council reviewed the Lake County Lease agreement for 2021. Minor revisions were reviewed by City Attorney with his support. Motion DeRosier, second Goutermont to approve 2021 Lake County Lease Agreement as presented. MOTION CARRIED

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

2020 Audit Engagement Agreement – Bergan KDV – The Council reviewed the 2020 Audit Engagement Agreement with Bergan, KDV. There was discussion on the standard audit plus the need for a single purpose due to the City receiving more than the \$750,000 threshold in Federal funding, primarily due to the PFA funding for the Preliminary Treatment project. There was further discussion on additional audits that would be determined at time of audit for other Federal funded projects and what indicates a single purpose audit. Motion by Goutermont, second Perfetto to approve \$18,950 for the Standard 2020 Audit with Bergan-KDV and the addition of single purpose audits, not to exceed over \$3250 for each single audit required. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

2021 Employment Wages – The Council reviewed the 2021 employment wages. Motion by DeRosier, second Goutermont to approve 2021 Employment Wages as presented. MOTION CARRIED.

Mayor Johnson – Aye
 Member Perfetto – Aye
 Member Hoff – Absent

Member Goutermont – Aye
 Member DeRosier – Aye

City Attorney

Costley and Morris Attorney Contract Renewal – The Council reviewed the 2021 contract with Costley and Morris to provide legal consultation for the City of Silver Bay. Motion by DeRosier, second Perfetto to approve Costley and Morris Attorney Contract Renewal. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Absent

Member Goutermont – Aye
Member DeRosier – Aye

Resolution 2020-#63 Variance Amendment – Kali Partners, NorthShore Adventure Park – The Council reviewed Resolution 2020-#63 required for recording the previously approved variance application from Kali Partners for the NorthShore Adventure Park at 42 Outer Drive. Motion by DeRosier, second Perfetto to adopt Resolution 2020-#63 for 42 Outer Drive as presented. MOTION CARRIED. The Mayor noted he had not voted previously in favor of the variance.

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020-#63 - WAS ADOPTED: 3 Aye, 1 Nay, 1 Absent

Resolution 2020-#64 Variance Amendment – Tim & Monica Mealey, 13 Edison Blvd – The Council reviewed Resolution 2020-#64 required for recording the previously approved variance application from Timothy and Monica Mealey, for 13 Edison Blvd. Motion by Goutermont, second DeRosier to adopt Resolution 2020-#64 for 13 Edison Blvd as presented. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020-#64 - WAS ADOPTED: 3 Aye, 1 Nay, 1 Absent

Resolution 2020-#65 Variance Amendment – Barney & Wendy Kimball, 47 Edison Blvd – The Council reviewed Resolution 2020-#65 required for recording the previously approved variance application from Barney and Wendy Kimball, for 47 Edison Blvd. Motion by Goutermont, second DeRosier to adopt Resolution 2020-#65 for 47 Edison Blvd as presented. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Absent

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020-#65 - WAS ADOPTED: 4 Aye, 0 Nay, 1 Absent

OLD BUSINESS

Silver Bay Airport Update – The City has been in contact with Senator Klobuchar's office. The state has notified us that there is a procedure identified that they are researching and looking into to begin the process of closing the Silver Bay Airport. There are no further updates at this time.

NEW BUSINESS

Economic Development Director – David Drown – The Council reviewed a Voluntary Independent Contractor Agreement with David Drown to serve as its Economic Development Director at a cost of \$300/month. There was discussion regarding Drown's background in Economic Development, Public Financing, Engineering, and Human Resources, that he resides in Silver Bay, and is looking to give back to his community. The EDA Board recommends approval. Motion by DeRosier, second Goutermont to approve the Voluntary Independent Contractor Agreement with David Drown to serve as the City Economic Development Director beginning January 1st, 2021 with a monthly payment of \$300 to cover expenses. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye

Member Goutermont – Aye
Member DeRosier – Aye
Member Hoff – Absent

2021 Elected Leader Institute – The Council reviewed training for elected officials through the League of MN Cities. The meetings are all virtual and thus no travel expenses are involved. The cost of training designed for newly elected official is \$175/person and is conducted January 19th through February 26th. The Advanced Program training designed for experienced elected officials is \$95/person and is starts February 2nd. Motion by DeRosier, second by Goutermont to approve any of the 2021 Council, newly elected and currently appointed, to attend training as presented with the costs of the training covered by the City.

MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye

Member Goutermont – Aye
Member DeRosier – Aye
Member Hoff – Absent

2021 Board Appointment Renewals – The Council reviewed renewal application from Nathan Stadler, Jenny Bjerken, and Carol Youngberg to be reappointed to the Parks and Recreation Board; a verbal approval from Mike Johnson to be reappointed to serve on the Planning and Zoning Commission; and a verbal request from Steve VanHouse to be reappointed to serve on both the Parks and Recreation Board and the Planning and Zoning Commission. The Council thanked all members for renewing their applications and for their time and dedication towards the City. Motion by Perfetto, second DeRosier to approve 2021 Board Appointment Renewals as presented. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye

Member Goutermont – Aye
Member DeRosier – Aye
Member Hoff – Absent

2020 Year End Review – Council reviewed the 2020 Year-end review that highlighted various projects and activities performed by the City during the year, providing thanks to the citizens, businesses, volunteers and those volunteers that serve on Boards and Commissions, City Attorney, City Engineer, and city staff. The review identified key highlights such as the COVID-19 pandemic, the opening of the Black Beach Municipal Campground, the influx of visitors to our community for Black Beach Park, investments made to our City facilities, primarily the Preliminary Treatment Project at the Wastewater plant, and many other projects. The City Council said goodbye to Mayor Scott Johnson and Councilor

Carlene Perfetto and thanked them for their 25 and 20 years, respectively, serving the community of Silver Bay.

Claims: Motion by Perfetto, second Goutermont, to approve payment of \$37,226.18 in unpaid claims and \$153,592.07 in paid claims. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Absent

Member Goutermont – Aye
Member DeRosier – Aye

Motion by Mayor Johnson, second Perfetto to adjourn at 7:57 p.m. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye

Member Goutermont – Aye
Member DeRosier – Aye
Member Hoff – Absent

Minutes taken by Devon Monteith



Wade LeBlanc, Mayor

Attest:



Lana Fralich, City Administrator