

## CITY COUNCIL

7:00 P.M.

Monday, December 6, 2021

Present: Mayor Wade LeBlanc  
Ben Bautch  
Dustin Goutermont  
Shane Hoff

Excused: Richard DeRosier

Lana Fralich, City Administrator -via ZOOM	
Tim Costley, City Attorney -via ZOOM	
Kitty Mayo, Northshore Journal -via ZOOM	
Greg Swartwoudt, Lake County Assessor – left 7:45 p.m.	
Ronni Radle, Lake County Chief Deputy Auditor Treasurer – left 7:45 p.m.	
Justin O'Brien, Lake County	
Bruce Small	Eva J & Ross Judkins
Donny Thompson	Barb Jonson
Dean Skalicky	Chris Kramer
Katie Foshay	Andrew Bilben
Seth Thun	Wally Wolfe
Mike Guzzo	Sylvia Davey
Marc & Rebecca Davey	Erik Ollila
Wayne Fenstad	Gary Ollila
Andrea McMillen	Gary Thompson
James Duresky	

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

**Agenda** – Motion by Goutermont, second Hoff to approve the Agenda as presented. **MOTION CARRIED.**

**2022 Truth In Taxation Public Hearing** – The Mayor addressed the public that property valuations and allocation of taxes are completed by the County and that this meeting is related to the proposed budget and levy for 2022.

Lake County Assessor, Greg Swartwoudt, and Lake County Deputy Auditor Treasurer, Ronni Radle addressed the Council on the processes for valuating properties and breakout of tax apportionment. There was discussion that the Net Tax Capacity provided by Lake County for the proposed budget had changed when the final report was completed due to legislative changes. There was discussion on the impact of a utility pole valuation change along with the impact on commercial properties for fiscal disparities.

Mike Guzzo stated his concern regarding valuation of properties and increases on both City and County taxes.

Seth Thun stressed his concern on the valuation of properties, the significant increase on the taxes to be paid, and the impact it will have on the small businesses like his.

Barb Jonson questioned how at home businesses are taxed and how it does not help businesses downtown.

Gary Thompson commented that he didn't disagree with the valuations of the properties, but didn't feel it needed to be adjusted all at once and could have been done over a period of time. He also clarified that City Council plans to review the budget to make changes to the final levy before tax payments are due.

Council reviewed three letters presented from Christine Tetzlaff regarding property tax increase, Steve Pribyl, and Gene Lafond both regarding property tax increase on Rocky Hill Road.

Mayor LeBlanc adjourned the 2022 Truth in Taxation Public Hearing at 7:43 p.m.

All Silver Bay residents attending Truth in Taxation Public Hearing left meeting at 7:45 p.m.

**Consent Agenda** – Motion by Goutermont, second Bautch to approve the meeting minutes from the November 15th Regular Meeting, November 23<sup>rd</sup> Special Meeting, November 29<sup>th</sup> Special Meeting minutes and the August & September 2021 Treasurers Report. **MOTION CARRIED.**

**Petitions, Requests, and Communications** –

**Letter to DNR Relating to Nonferrous Mine Rule Changes-** Council reviewed a request from RAMS to send a support letter to MN DNR to uphold the current non-ferrous mining rules currently in place and to have the Mayor be included in the RAMS letter and to send a separate letter from the City to the DNR. Motion by Hoff, second Goutermont to approve Mayor signing both letters of support. **MOTION CARRIED.**

**City Administrator** –

**Set Special Budget Workshop Meeting** – Motion by Hoff, second Goutermont to set a Special Budget Workshop Meeting for Monday, December 13<sup>th</sup> at 9:00 a.m. for the purpose of reviewing potential changes to the 2022 Proposed Budget and Levy. **MOTION CARRIED.**

**Resolution 2021 - #38 Park State Bank Real Estate Purchase and Leaseback** - Council discussed changing the financing of Park State Bank Real Estate back to an internal loan from the General Fund (Fund 101) to the Park State Bank Municipal Property Fund (267) for purchase of property and the survey. The funds to repay the General Fund will come from lease revenues and any future land sales related to the original purchase of 88 Outer Drive. Motion by Goutermont, second Bautch to approve internal loan transfer from the General Fund (101) to Park State Bank Municipal Property Fund (267) for the purchase of 88 Outer Drive. **MOTION CARRIED.**

Mayor LeBlanc – Aye  
Member Bautch – Aye  
Member Hoff – Aye

Member Goutermont – Aye  
Member DeRosier – Absent

**Revolving Loan Fund Application and Guideline Revision** – Council reviewed a proposed revision to the Revolving Loan Fund Application and Guidelines presented by Economic Developer, David Drown and recommended by EDA. Changes made were streamlining the application process. Motion by Goutermont, second Hoff to approve revisions of Revolving Loan Fund Application and Guidelines. **MOTION CARRIED.**

**Timber Coffee Company, LLC Loan Application** – Economic Development Authority is recommending Council approve the \$50,000 loan request from the Timber Coffee Company, LLC from the Revolving Loan Fund (271). Council reviewed a summary form, application, and exhibits provided thru the Business Plan, and noted EDA director had conducted the financial review and is recommending a waiver of the 3<sup>rd</sup> party financial review. Motion by Hoff, second Bautch to approve a \$50,000 loan from the Revolving Loan Fund, at 3% interest and 5-year repayment term, to waive the 3<sup>rd</sup> party financial review, and with the loan being secured by equipment and personal loan guarantees. City Attorney will draft final loan and closing documents to execute loan. MOTION CARRIED.

**Business Subsidy Policy Revision-** Council reviewed changes made to the Business Subsidy Policy by the EDA and City Attorney, the EDA is recommending Council approve these changes. Motion by Goutermont, second Bautch to approve revised Business Subsidy Policy. MOTION CARRIED.

**AAA Donation-Police Department** – Chief Scott Kochendorfer applied for and received \$1200 for purchase of safety equipment through AAA. Motion by Hoff, second Bautch to accept \$1200 grant from AAA for the purchase of safety equipment. MOTION CARRIED.

**Resolution 2021 - #44 Lake County IT Agreement for Police Department** – Council reviewed a revised agreement with Lake County to serve as the Public Safety network for the Police Department, including key changes to the annual cost and call out time for IT support. There was further discussion on the \$4,572.77 annual cost, with a credit of \$1400 to be applied to the 2022 annual fee. Motion by Goutermont, second Bautch to approve the amended Lake County IT Agreement for the Police Department as proposed. MOTION CARRIED.

Mayor LeBlanc – Aye  
Member Bautch – Aye  
Member Hoff – Aye

Member Goutermont – Aye  
Member DeRosier – Absent

**2022 Insurance Liability Waiver** – Council reviewed Liability Coverage Waiver Form stating City does not waive monetary limits on tort liability. Motion by Goutermont, second Hoff. MOTION CARRIED.

**Lake Superior School District Indemnification Agreement** – Lake Superior School District provided an indemnification agreement to the City of Silver Bay, that will hold City harmless and not liable due to any damage to concrete in the school's driveway turnaround from snow plowing with the large plow trucks weight. The school district is working on an issue of strength and improper placement or absence of rebar. The City Attorney has reviewed the agreement. Motion by Goutermont, second Bautch to approve Indemnification Agreement with the Lake Superior School District. MOTION CARRIED.

**Sanitary Sewer Improvement Project Closeout – George Bougalis & Sons** – Council reviewed an email between the city, engineer, and contractor relating to the city receiving a \$5,500 credit due to delay and turf establishment. Motion by Hoff, second Goutermont to accept the \$5,500 credit and close out the project. MOTION CARRIED.

**Police Training – Sean Bergman** – Police Chief is recommending sending Sean Bergman to Background Investigation Training, which is an online course at a cost of \$385 with no travel expenses. Motion Goutermont, second Bautch to approve the online training of Background Investigation Course for Sean Bergman at a cost of \$385 with no travel expenses. MOTION CARRIED.

**2022 City Council Meetings and Holidays** – Motion by Hoff, second Goutermont to approve 2022 City Council Meeting dates and Holidays. MOTION CARRIED.

**City Attorney** – None at this time.

**OLD BUSINESS** – None at the is time.

**NEW BUSINESS** –

**Resignation of Marcus Huss from Fire Department** – Motion by Goutermont, second Bautch to accept resignation of Marcus Huss from the Fire Department with regrets. Council thanks Marcus for his service. MOTION CARRIED.

**Home Use Occupation Permit – 27 Evans** – Planning & Zoning is recommending approval of a Home Use Occupation permit that was submitted by Christine Mallory to conduct North Shore Journal/Bayside Printing out of her home located at 27 Evans Circle. Motion by Goutermont, second Hoff to approve a Home Use Occupation Permit for Christine Mallory, Bayside Printing at 27 Evans Circle. MOTION CARRIED.

**Liquor Commission Board Renewal – Lisa DeRosier** - Motion by Goutermont, second Bautch to recommend the reappointment of Lisa DeRosier to serve on the Liquor Commission. MOTION CARRIED.

**Claims** – Motion by Goutermont second Bautch to approve payment of \$80,633.74 in unpaid claims and \$203,204.66 in paid claims. MOTION CARRIED.

Motion by Hoff, second Goutermont to adjourn at 8:15 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson



Wade LeBlanc, Mayor

Attest:



Lana Fralich, City Administrator