

CITY COUNCIL

7:00 P.M.

Monday, December 20, 2021

Present: Mayor Wade LeBlanc
Richard DeRosier
Shane Hoff

Excused: Dustin Goutermont
Ben Bautch

Lana Fralich, City Administrator
Tim Costley, City Attorney
Joe Rhein, City Engineer, Bolton & Menk, Inc.

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

Agenda – Motion by DeRosier, second Hoff to approve the Agenda with addition of PT Bartender hirings and BS&A Hosting Fee Deduction. MOTION CARRIED.

Consent Agenda – Motion by DeRosier, second Hoff to approve the meeting minutes from the December 6th Regular Meeting, and December 13th Special Meeting, MOTION CARRIED.

Petitions, Requests, and Communications – None

City Administrator –

Resolution 2021 - #45 2022 Final Budget - The Council reviewed and discussed the 2022 Final Budget that was adjusted from the proposed budget based upon comments received from the December 6th Truth in Taxation meeting and the December 13th Special Budget Workshop, noting that a decrease in the budget would lower the proposed levy from 16.3% to 4.5%. Motion by Hoff, second DeRosier to adopt Resolution 2021-#45 and approve the 2022 Fiscal Year Budget as presented for the Revenue amount of \$18,333,110 and the Expenditure amount of \$19,120,135. MOTION CARRIED.

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

Member Goutermont – Absent
Member DeRosier – Aye

Resolution 2021 - #46 2022 Final Levy - The Council reviewed and discussed the final 2022 Tax Levy, noting a decrease in the final budget resulted in lower the levy from 16.3% to 4.5%. Motion by DeRosier, second Hoff to adopt Resolution 2021-#46 and approve the 2022 Tax Levy for the amount of \$1,648,110. MOTION CARRIED.

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

Member Goutermont – Absent
Member DeRosier – Aye

Resolution 2021 - #47 IRRR Grant Amendment - The Council reviewed an amendment to the IRRRB Grant Agreement for the Outer Drive Beautification Project to amend the expiration date to December 31st 2022. Motion by DeRosier, second Goutermont to adopt Resolution 2021-#47 extending the grant date to December 31st 2022, pending IRRR approval. MOTION CARRIED.

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

Member Goutermont – Absent
 Member DeRosier – Aye

Resolution 2021 - #48 Opioid Litigation Settlement Participation - Council reviewed and discussed information relating to participation in the State of Minnesota's Opioid Litigation Settlement and that communities under 10,000 are required to pass a Resolution to participate in obtaining any future funding to be used for eligible training and purchases for the community. The Resolution presented was a model of a resolution provided by the League of MN Cities and that cities had until January 2nd, 2022 to respond. There was further discussion on how it may help in purchasing products or training for the Police Department. Motion by DeRosier, second Hoff to pass Resolution 2021- #48 and participate in the Opioid Settlement Litigation. MOTION CARRIED.

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

Member Goutermont – Absent
 Member DeRosier – Aye

Sanitary Sewer Improvement Project – Final Project Review and Pay App – Joe Rhein, City Engineer, Bolton & Menk, LLC provided the final project review and pay request for the 2019 Sanitary Sewer Improvement Project. Council reviewed timeline of project including the credit of \$5500 for turf restoration accepted at previous council meeting. Final construction costs were 6% under budget for a total cost of \$954,476.50. Motion by DeRosier, second Hoff to approve final payment of \$32,118.54 contingent upon receipt of all required supporting documents. MOTION CARRIED.

Beer, Liquor, Wine, Cigarette, & Optional 2AM Liquor License Renewals- The license renewals for 2022 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 Hoff, second DeRosier to approve the Beer, Liquor, Wine, Optional 2AM Liquor, and Cigarette License Renewals. MOTION CARRIED

2022 City Attorney – Contract – The Council reviewed the 2022 contract with Costley and Morris to provide legal consultation for the City of Silver Bay with a change made to hourly rates for services provided outside normal duties. Motion by DeRosier, second Hoff to approve Costley and Morris Attorney Contract Renewal for 2022. MOTION CARRIED.

2022 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 Hoff, Second DeRosier to approve the 2022 Mary Mac Manager Contract with Juel Salveson at \$35/hour limited to 20 hours/week unless otherwise authorized by the City Administrator. MOTION CARRIED

2022 Building Official- Contract – The contract renewal for City Building Official with Gary Thompson was presented with a change to the inspection fee to \$35 per inspection. Motion by DeRosier, second Hoff to approve the 2022 Building Official Contract with Gary Thompson at \$300 monthly fee, with an additional \$35 per inspection fee that will be paid annually. MOTION CARRIED.

2022 Fire Administrator- Contract – The contract renewal for Fire Administrator Michael Rowlee Jr. was presented with no changes. Motion by Hoff, second DeRosier to approve the 2022 Fire Administrator Contract with Mike Rowlee Jr at \$25/hour limited to maximum 10 hours per week. MOTION CARRIED.

2022 Janitorial – Liquor Store – Contract – The contract renewal for the Liquor Store Janitorial Contract with Jones Cleaning Service was presented. Motion by DeRosier, second Hoff to approve the 2022 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.

2022 Janitorial – City Hall – Contract – The contract renewal for the City Janitorial Contract with Jones Cleaning Service was presented. Motion by DeRosier, second Hoff to approve the 2022 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.

2022 Janitorial – Reunion Hall – Contract - The contract renewal for the Reunion Hall Janitorial Contract with Juel Salvesson was presented. Motion by DeRosier, second Hoff to approve the 2022 Janitorial Contract with Juel Salvesson 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.

2022 Water & Sewer Rates - The water and sewer rates for 2022 were presented for approval with no changes to the current rates, it should be noted rates have not been changed since 2016 and Council will be discussing adding a Storm Water Fee later in 2022. Motion by DeRosier, second Hoff to accept 2022 Water and Sewer Rates. MOTION CARRIED.

Heavy Duty Designs Lease Agreement – Council reviewed the 2022 lease renewal for Heavy Duty Designs with change of increase from \$350/month to \$355/month. Motion by DeRosier, second Hoff to approve 2022 Heavy Duty Designs 1-year lease renewal as presented. MOTION CARRIED.

Bay Area Vineyard Church Agreement – Council reviewed the 2022 lease renewal for Bay Area Vineyard Church with change of an increase from \$2955/month to \$3180/month plus \$25 kitchen use fee. Tenant has not yet responded to lease agreement. Motion by DeRosier, second Hoff to approve the 2022 Bay Area Vineyard Church 1-year lease renewal once signed copy is received. MOTION CARRIED.

2022 Audit Engagement Agreement with Bergan KDV – Council reviewed the 2022 Audit Engagement Agreement with Bergan KDV. There was discussion on proposed fees for one year versus a 3-year engagement and how the new financial software will impact future audits. Motion by DeRosier, second Hoff to accept three-year audit engagement agreement with Bergan KDV with 2021 audit costs of \$19,900 for 2021, \$20,500 for 2022, and \$21,115 for 2023, and an additional \$3,000 for any single purpose audit completed in any of the three years. MOTION CARRIED.

2022 Employment Wages - The Council reviewed the 2022 employment wages. Motion by DeRosier, second Hoff to approve 2022 Employment Wages as presented. MOTION CARRIED.

PT Assistant Librarian Temporary Wage Adjustment – Fralich is requesting a temporary wage adjustment for Eileen Anselment to Librarian wage, effective December 13, 2022 until new Librarian

starts. There was discussion on this being similar to the adjustment of PT Police wages during the transition of short-staff of FT employees and adjustment to wages when Department Heads are vacant. Motion by Hoff, second DeRosier to approve temporary wage adjustment for Eileen Anselment to the full wage rate of the Librarian until the new Librarian begins. MOTION CARRIED.

Librarian Hiring – Personnel Committee and the Library Board Chair is recommending the rehiring of Shannon Walz as the new Librarian. Motion by Hoff, second DeRosier to rehire Shannon Walz as the new Librarian, giving her credit for time she has already worked with the Library starting her at 90% of the full-time wage, 95% after 6-months of successful probation, and full-wage after one-year, pending completion of pre-employment physical and background check. MOTION CARRIED.

Fire Department Hiring – the Fire Chief is recommending the hiring of Blake LeBlanc and Shiloh Boman to serve as volunteer firefighters. Motion by DeRosier, second Hoff to hire Blake LeBlanc and Shiloh Boman pending successful completion of pre-employment physicals. MOTION CARRIED.

Lake County Personnel Board of Appeals Committee – Fralich has been recommended to serve on the Lake County Personnel Board of Appeals Committee and is requesting Council approval. Motion by DeRosier, second Hoff to approve Fralich to serve on the Lake County Personnel Board of Appeals Committee. MOTION CARRIED.

PT Bartender Hires – Personnel Committee is recommending the hiring of Hayley Horgan and Jason Saaristo as PT Bartenders. Motion by DeRosier, second Hoff to hire Hayley Horgan and Jason Saaristo as PT Bartenders with a starting wage of 80% of PT bartender wage with effective date to be determined by Liquor Store Manager. MOTION CARRIED.

BS&A Hosting Fee Refund – BS&A has issued a credit of \$800 for reduction of hosting fees. Motion by DeRosier, second Hoff to accept credit of \$800. MOTION CARRIED.

OLD BUSINESS –

Silver Bay Airport – FAA Letter – Council reviewed a letter received from FAA regarding status of City's federal obligations relating to its sponsorship of Municipal Airport, information toward releasing the City of its federal obligations, returning the federal investment, and transferring existing airport revenue to another airport. The FAA is requesting either re-open airport or initiate permanent closure of airport and make payment of \$624,953.11 by March 8, 2022, based upon current federal financial obligations of \$258,591.61, accrued interest of \$11,361.50, and \$355,000 based upon the fair market of the appraisal that was completed by the State of MN. Discussion followed on current status of local city/township partnership working to keep airport open and splitting costs, meeting with Lindsey Butler from the FAA after the first of the year, and airport/runway condition not lasting number of years expected. Consensus of Council is to hold off answering letter until meeting with the FAA and City/Townships after the first of the year.

NEW BUSINESS –

Hayley Mattila Resignation – Motion by DeRosier, second Hoff to accept Hayley Mattila's resignation as Police Officer with regrets and thanks for helping out while short staffed. MOTION CARRIED

2021 Year in Review - Council reviewed the 2021 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,

City Economic Developer, and city staff. The review identified key highlights such as the continued COVID-19 virus impacts, the return of Bay Days, Salmon Classic, Shop with a Hero, Hockey Camp and the addition of Music in the Park. Other highlights were Planning and Design of Bayview Park, Golf Course Housing Project, Boathouse Bay Townhome and Resort, housing programs, Economic Development loans, funding received for projects and expansions.

Claims – Motion by DeRosier second Hoff to approve payment of \$141,948.76 in unpaid claims and \$78,317.94 in paid claims. MOTION CARRIED.

Motion by Hoff, second DeRosier to adjourn at 7:45 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson



Wade LeBlanc, Mayor

Attest:



Lana Fralich, City Administrator

