

CITY COUNCIL

7:00 P.M.

December 19, 2022

Present: Mayor Wade LeBlanc
Richard DeRosier
Shane Hoff
Ben Bautch

Excused: Dustin Goutermont

Lana Fralich, City Administrator
Tim Costley, City Attorney
Joe Rhein, City Engineer, Bolton & Menk, LLC
Kitty Mayo, Lake County Press via ZOOM
Donny Thompson
Carolyn Hudyma

Mayor LeBlanc called the meeting to order at 7:03 p.m.

Agenda – Motion by Hoff, second DeRosier to approve the Agenda with addition of Park State Bank Treasure Management Services. MOTION CARRIED.

Consent Agenda – Motion by DeRosier, second Bautch to approve the meeting minutes from the December 5th, 2022 Regular Meeting, December 12th, 2022 Special Budget Workshop, and August 2022 Treasurer's Report. MOTION CARRIED.

Petitions, Requests, and Communications –

Lake County Sex Trafficking Task Force Candlelight Vigil- Lake County is having a candlelight vigil on January 9th at the Law Enforcement Center in Two Harbors. 4:30 pm-5:30 pm.

City Administrator –

Resolution 2022-#77 2023 Final Budget- The Council reviewed and discussed the 2023 Final Budget that was adjusted from the proposed budget after discussion regarding lowering costs by wage adjustments, postponing equipment purchases and hiring of new staff during the December 12th Special Budget Workshop which results in a 4.6% decrease in levy. Motion by Hoff, second DeRosier to adopt Resolution 2022-#77 and approve the 2023 Fiscal Year Budget as presented for the Revenue amount of \$27,180,250 and the Expenditure amount of \$27,706,760. Motion by Hoff, second DeRosier to adopt Resolution 2022-#77 Final Budget. MOTION CARRIED.

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

Member Goutermont – Absent
Member DeRosier – Aye

RESOLUTION 2022 – 77 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Resolution 2022-#78 2023 Final Levy- The Council reviewed and discussed the final 2023 Tax Levy, noting a decrease in the general fund and removing the storm water fee of the final budget resulted in lowering of the levy of 4.6%. Motion by DeRosier, second Bautch to adopt Resolution 2022-#78 Final Tax Levy for the amount of \$1, 572, 225. MOTION CARRIED.

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

Member Goutermont – Absent
Member DeRosier – Aye

RESOLUTION 2022 – 78 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Bolton & Menk Professional Services Letter for Golf Course Housing Development Project- Council reviewed the proposal from Joe Rhein, City Engineer to provide development review on an as needed basis in regards to the Golf Course Housing Project at a reduced hourly rate of \$75/hr. Motion by Hoff, second Bautch to accept proposal. MOTION CARRIED.

Beer, Liquor, Wine, Cigarette, & Optional 2AM Liquor License Renewals – The license renewals for 2023 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 DeRosier, second Bautch to approve the Beer, Liquor, Wine, Optional 2AM Liquor, and Cigarette License Renewals. MOTION CARRIED

2023 Mary Mac Manager – Contract- The contract renewal for Mary Mac Manager with Juel Salveson was presented with a change to \$40/hour. Motion by DeRosier, Second Bautch to approve the 2023 Mary Mac Manager Contract with Juel Salveson at \$40/hour limited to 20 hours/week unless otherwise authorized by the City Administrator. MOTION CARRIED

2023 Building Official – Contract- The contract renewal for City Building Official with Gary Thompson was presented with no changes. Motion by Bautch, second Hoff to approve the 2023 Building Official Contract with Gary Thompson at \$300 monthly fee, with an additional \$35 per inspection fee that will be paid annually. MOTION CARRIED.

2023 Fire Administrator – Contract- The contract renewal for Fire Administrator Michael Rowlee Jr. was presented with no changes. Motion by DeRosier, second Hoff to approve the 2023 Fire Administrator Contract with Mike Rowlee Jr at \$25/hour limited to maximum 10 hours per week. MOTION CARRIED.

2023 Water & Sewer Rates- The water and sewer rates for 2023 were presented for approval with no changes to the current rates, it should be noted rates have not been changed since 2016. Motion by DeRosier, second Bautch to accept 2023 Water and Sewer Rates. MOTION CARRIED.

Heavy Duty Designs Lease Agreement- Council reviewed the 2023 lease renewal for Heavy Duty Designs with no change. Motion by Bautch, second Hoff to approve 2023 Heavy Duty Designs 1-year lease renewal as presented. MOTION CARRIED.

Bay Area Vineyard Church Lease Agreement- Council reviewed the 2023 lease renewal for Bay Area Vineyard Church with no change. Motion by DeRosier, second Bautch to approve the 2023 Bay Area Vineyard Church 1-year lease renewal. MOTION CARRIED.

2023 Campground Rates- Parks and Recreation Board is recommending increasing rates by \$2.00 for peak season of June 1st-September 30th and with rates to remain the same during off-peak season of May and October. Motion by Bautch, second DeRosier to approve rate changes. MOTION CARRIED.

Home Use Occupation Renewals- The Home Use Occupation Permit application renewals for 69 Nelson Drive – Gary Zinter - Insurance Agency, 45 Nelson Drive – Christine Mattila - Real Estate Sales, 20 Hays Circle – Julie Jensen – Upholstery Sewing and Repair, 24 Law Drive – Charles Rathbone – Firearm and related sales, 110 Edison – Jeremy Tedrick – Small engine repair were presented for approval. Motion DeRosier, second Bautch to approve the Home Occupation permit renewals. MOTION CARRIED

Mayor LeBlanc recessed meeting at 7:18 p.m.

Mayor LeBlanc called meeting back to order at 7:20 p.m.

Set Special Meeting for Approval of Janitorial Contracts, Labor Agreements/Contracts, 2023 Employee Wages, and any other Year-End approvals needed- Motion by Bautch, second Hoff to set special meeting on Thursday, December 29th, 12:00 p.m. for the purpose of approval of Janitorial Contracts, Labor Agreements/Contracts, 2023 Employee Wages, and other Year-End approvals needed. MOTION CARRIED.

Park State Bank Treasurer Management Services- Management services are needed as part of K-pay payroll to transfer funds for payroll deposit. Park State Bank will provide wire transfer to K-pay. There will be a dual verification in place for security with authorized staff of Lana Fralich, Cheryl Marolt, and Mayor Wade LeBlanc. Motion by DeRosier, second Bautch to approve. MOTION CARRIED.

City Attorney –

Resolution 2022-#79 JPA with State of MN, Department of Public Safety, BCA- Motion by DeRosier, second Hoff to adopt Resolution 2022-#79 JPA with State of MN, Department of Public

Safety, BCA allowing the County Attorney to take over access to BCA for prosecution of criminal cases. MOTION CARRIED.

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

Member Goutermont – Absent
Member DeRosier – Aye

RESOLUTION 2022 – 79 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Administrative Hearing Officer and Fee- There will be an Administrative Hearing on Thursday, December 22nd regarding a dangerous animal. Laine Koster has been the Administrative Officer for the City in the past. Motion by Hoff, second DeRosier to approve Laine Koster as the Administrative Officer for the City of Silver Bay, with pay at a rate of \$50/hour. MOTION CARRIED.

OLD BUSINESS – None

NEW BUSINESS –

Floyd Baker Resignation- Motion by DeRosier, second Bautch to accept Floyd Baker's resignation from EDA board with regrets. MOTION CARRIED.

2022 Year Review- Council reviewed the 2022 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 Elections, Boards and Commissions, City Attorney, City Engineer, City Economic Developer, and city staff. The review identified key highlights such as the MN Design Team visit, Bay Days, Salmon Classic, Shop with a Hero, changes to financial and payroll software system for the city, and opening of the Timber Coffee Company. Other highlights were the purchase of Park State Bank Land, Golf Course Housing Project, Penn Avenue Housing, Boathouse Bay, new Housing Incentive Program and funding received for projects and expansions.

Claims – Motion by DeRosier, second Bautch to approve payment of \$154,306.81 in unpaid claims and \$170,838.13 in paid claims. MOTION CARRIED.

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

Member Goutermont – Absent
Member DeRosier – Aye

Motion by Bautch, second DeRosier to adjourn at 7:40 p.m. MOTION CARRIED.



Wade LeBlanc, Mayor

Minutes taken by Lisa Christenson

Attest:



Lana Fralich, City Administrator