

## CITY COUNCIL

7:00 P.M.

December 18, 2017

Present: Scott M. Johnson  
Carlene Perfetto  
Richard DeRosier

Dustin Goutermont – excused  
Shane Hoff – excused

Lana Fralich, City Administrator  
Tim Costley, City Attorney  
Jamey Malcomb, Lake County News Chronicle

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

**Agenda** – Airport Hangar Renewals was added to new business. Motion by DeRosier, second Perfetto to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Motion by Perfetto, second DeRosier to approve the minutes of the December 4, 2017 regular Council meeting and the August 2017 treasurer's report. MOTION CARRIED.

#### **Petitions, Requests and Communications**

**RAMS Meeting** – It was noted that the RAMS meeting will be held in Mt. Iron on January 10. Mayor Johnson and Perfetto will plan to attend.

**Lake County Sex Trafficking Proclamation** – It was noted that January is National Human Trafficking Awareness Month and the Lake County Sex Trafficking Task Force recommends approval of this proclamation. Motion by Perfetto, second DeRosier to approve a proclamation in recognition of National Human Trafficking Awareness Month, January 2018. MOTION CARRIED. The Task Force will hold an event on January 8 in Two Harbors, and would like a City representative to read the proclamation. Mayor Johnson or DeRosier will plan to attend.

Mayor Johnson reported on the League of Minnesota Cities election official's conference in Brooklyn Park on January 26-27.

#### **City Administrator**

**Resolution 2017-42** – It was noted that at the time of the budget workshops, the County auditor had reported a 1.7% increase in the City's net tax capacity, but now is reporting a decrease of 4.8%. The Council reviewed the Final 2018 Budget, which totaled \$12,238,150 revenues and \$13,222,610 expenditures. There was discussion about the 2018 budget, capital expenditures, what areas of the budget would be impacted in a budget decrease, the devaluation of some properties within the City, and the impact on residents and businesses. There was a consensus to hold a budget workshop and special meeting. It was noted that the Fire Administrator's Contract would need to be discussed at one meeting before being acted upon at a second Council meeting. Motion by Perfetto, second DeRosier to hold a budget workshop on December 27 at 8:30 a.m. followed by a

special meeting, for the purpose of discussing and taking action on the 2018 Final Budget, the 2018 Tax Levy, the 2018 Wages and the Fire Administrator Contract Renewal. MOTION CARRIED.

**Resolution 2017-43** – This issue was covered in the Resolution 2017-42 agenda item.

**2018 Wages** – This issue was covered in the Resolution 2017-42 agenda item.

**City Hall and Liquor Store Custodial Services Renewals** – It was noted that there were no other changes from the previous year's contract. Motion by Perfetto, second DeRosier to approve the 2018 contracts with Jones Cleaning Services for custodial services at the Liquor Store and City Hall. MOTION CARRIED.

**Library Custodial Services Renewal** – It was noted that there were no other changes from the previous year's contract. Motion by DeRosier, second Perfetto to approve the 2018 contract with Gillian Lattin for custodial services at the Library. MOTION CARRIED.

**Building Official Contract Renewal** – It was noted that there were no changes from the previous year's contract. Motion by DeRosier, second Perfetto to approve the 2018 contract with Gary Thompson for Building Official. MOTION CARRIED.

**Custodial Services Renewal, Juel Salveson** – It was noted that there were no other changes from the previous year's contracts. Motion by Perfetto, second DeRosier to approve the 2018 contract with Juel Salveson for custodial services at the Reunion Hall, and the Mary MacDonald Business Center. MOTION CARRIED.

**Fire Administrator Contract Renewal** – This issue was covered in the Resolution 2017-42 agenda item.

**Renewal Application for Liquor License** – The Liquor Store Manager recommends approval of an optional 2:00 a.m. Liquor License, as this option has been used throughout the year and resulted in increased sales. Motion by Perfetto, second DeRosier to approve an optional 2:00 a.m. Liquor License for the Municipal Liquor Store. MOTION CARRIED.

**2018 Council Meeting dates and Holidays** – The Council reviewed the list of 2018 City Council meeting dates and holidays. The 2018 City Council meetings will be held on January 2, January 16, February 5, February 20, March 5, March 19, April 2, April 16, May 7, May 21, June 4, June 18, July 2, July 16, August 6, August 20, September 4, September 17, October 1, October 15, November 5, November 19, December 3 and December 17 at 7:00 p.m. at City Hall. The 2018 City Holidays will be January 1, January 15, February 19, May 28, July 4, September 3, October 8, November 12, November 22, December 24 and December 25. Motion by DeRosier, second Perfetto to approve the 2018 Council meeting dates and 2018 City Holidays, as presented. MOTION CARRIED.

**Cigarette / Beer License Renewals** – It was noted that the Golf Course is applying for a liquor on-sale license, and that they previously had a beer only license. Motion by DeRosier, second Perfetto to issue Cigarette Licenses to Bri-Esa's Convenience Store, Zupancich Brothers, Inc.; to issue on-sale beer and wine licenses to Northwoods Family Grille; to issue beer on-sale licenses to Silver Bowl and Northwoods Family Grille; to issue

on-sale and off-sale, Monday through Saturday, liquor license to Silver Bay Municipal Lounge; to issue on-sale, Monday through Saturday, liquor license to the Golf Course; to issue on-sale Sunday liquor license to the Golf Course; and to issue on-sale and off-sale Sunday liquor license to the Silver Bay Municipal Lounge. MOTION CARRIED.

### City Attorney

**Attorney Contract** – The Council reviewed an updated contract with Costley and Morris for legal services, and noted that there are no changes to this contract. Motion by DeRosier, second Perfetto to approve a contract with Costley and Morris P.C. for legal services. MOTION CARRIED. The Council thanked Costley for his services.

OLD BUSINESS – No old business was presented.

### NEW BUSINESS

**Resignation, Tim Pearson** – The Council reviewed a resignation from Tim Pearson from the Fire Dept., because he has moved out of the area, and thanked Pearson for his service to the community. Motion by Perfetto, second DeRosier to accept the resignation of Tim Pearson from the Fire Dept. MOTION CARRIED.

**Resignation, Officer Fread** – The Council reviewed a resignation from part-time officer Fread, because of demands of his full time employment, and thanked him for his service to the City. Motion by DeRosier, second Perfetto to accept the resignation of Thomas Fread as a part-time police officer. MOTION CARRIED.

**Airport Hangar Renewals** – Motion by Perfetto, second DeRosier to approve two-year airport hangar lease renewal agreements with Tom and Julaine Setter and Deborah Kaeder-Carpenter. MOTION CARRIED.

**2017 Year in Review** – The Council reviewed the major events from 2017, which included working with the County on the Horn Blvd. reconstruction project, working with North Shore Adventure Park on their development, development of the Black Beach park, adding a 2,000 gallon Fire Dept. engine, and completion of the wastewater tertiary project. The Council thanked all the employees, volunteers and residents who have helped the City government in the past year.

**Claims** – Motion by DeRosier, second Perfetto to approve payment of \$3,459.07 paid claims and \$53,471.19 in unpaid claims. MOTION CARRIED.

Motion by Perfetto, second DeRosier to adjourn at 7:38 p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

  
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Scott M Johnson, Mayor

  
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Lana Fralich, City Administrator