

## CITY COUNCIL

7:00 P.M.

Monday, December 2, 2019

Present: Mayor Scott Johnson  
 Carlene Perfetto  
 Richard DeRosier  
 Dustin Goutermont  
 Shane Hoff

Lana Fralich – City Administrator  
 Teri Cadeau – Lake County News Chronicle  
 Cassie Ernest  
 Ed Maki, Jr.  
 Francis & Alise Wetterlund

Bill Crandell  
 Lisa Hoff  
 Teri Cadeau  
 Joe Nicklay  
 Unidentified Resident

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

**Agenda-** Motion Goutermont, second Hoff to approve the agenda with the removal of golf course septic system and Black Beach Campground loan under City Administrator. MOTION CARRIED.

**Consent Minutes-** Motion DeRosier, second Perfetto to approve the minutes from the November 18, 2019. MOTION CARRIED.

**Truth in Taxation-Proposed 2020 Budget-** The Mayor and Administrator 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 2020. Fralich reported that the proposed 2020 budget and levy was set at a Special Council Meeting on September 23, 2019 where the levy would increase by 3.93% or \$56,520, that the total levy request is \$1,493,815, and that the net tax capacity change, per Lake County is 6.1%. Fralich further provided how the city intends to spend the levy funds including the 101 General Fund of \$1,058,815; the Library Fund of \$97,000; the 407 Street Fund of \$100,000; the 412 Capital Asset Fund of \$50,000; and the 401 Public Works Fund of \$188,000. Fralich further discussed the increase in Taconite Production Aid and Local Government Aid; and changes to the budget including wages, insurance, equipment purchases, debt service payments for the liquor store, public works, sanitary sewer improvements and the campground starting in 2020.

The Mayor called for any public comments:

Francis Wetterlund questioned property valuation and clarified who to contact relating to the taxes.

Ed Maki commented on concern for the valuation of his property as it relates to the poor condition of a neighboring property and that he has had conversations with the police department relating to ordinance violations of that property.

Unidentified Resident commented on concern for his tax portion, although small, still received a 30% increase and that this increase is not sustainable for him and recommends that the City control spending.

No further comments were received. Wetterlund's, Maki, and Unidentified Resident left the meeting.

**Lake Superior School District-** Lisa Hoff, Bill Crandell, Joe Nicklay and Cassie Ernest addressed City Council to discuss a partnership opportunity for the City of Silver Bay relating to the daycare need in Silver Bay. As a background, the City hired North span to work with all of our businesses to communicate, engage, share ideas, and partner, all in an effort to create a stronger economic development base and business engagement within or City. The initiative that has stemmed from the work of the EDA was titled, "Shoring Up Business", and has been well received by our business community. Businesses have been meeting every other month to talk about issues they are facing, events that are happening, marketing the community, and other ideas. Workforce and daycare have been a key driver of discussion at these meetings. The school is taking the key role in this development and they have been meeting with IRRR, Northshore Mining, and other organizations to help. Their first option was to work with the Faith Lutheran Church for use of their building that was previously developed for a daycare; however, the Church has voted to not lease the space to the school for the daycare. Another option they are working on is the vacant Wells Fargo building, which Wells Fargo has shared interest in donating the property to the City. Lake Superior School Superintendent, Dr. Crandall, discussed the operational and maintenance structure and that the School District is committed to operating and maintain the day care, leasing from the City, and eventually obtain ownership within 5 years. IRRR representative, Chris Ismil, provided funding information to help in the construction of the Wells Fargo Building into a daycare center, but their funds would need to go to the City and required ownership of the building. There was discussion relating to preparation of lease agreements, funding commitments, engineering, legal review, and procurement process that would need to be done before ownership would be taken by the City. The committee is hoping to have the project opened next spring for summer use. Motion by DeRoiser, Second by Hoff, to move forward with the process of ownership of the Wells Fargo Building and partnering with the school for the purpose of a daycare center and for the City Administrator and City Attorney to work with the committee to prepare and/or review any necessary documents for the development of the project and bring back for approval. MOTION CARRIED.

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

**Shop with a Hero-** Shop with a Hero event hosted by the Police and Fire Departments with donations made from our local businesses will be held on Saturday December 14<sup>th</sup>. The event will be held at Northwoods Café and Julie's Hardware.

**Lake County Chamber of Commerce Annual Legislative Lunch –** The Lake County Chamber of Commerce is holding its first annual Legislative Lunch and Round Table Discussion on Monday, January 13, 2020 from 11:00am-1:00pm at the Superior Shores Conference Center. This is for all state, regional, and local elected officials. Mayor Johnson plans to attend, and that Councilor DeRoiser and Administrator Fralich are pending due to schedules.

**Library Board Appointment** - The Library Board is recommending Bonnie Warner be appointed to the Library Board. Attached is her application. Motion by Perfetto, Second by Goutermont to appoint Bonnie Warner to the Library Board. MOTION CARRIED.

Mayor addressed the Council regarding a request for a letter of support from North Shore Mining relating to an issue with the MPCA, and that he has been provided a letter drafted by North Shore Mining, and that timing of signing the letter is due. There was further discussion about bringing the letter back to Council before signing, but there was a consensus of the Council that the Mayor could sign the letter supporting the mining company's request.

### City Administrator

**Bergan KDV 2019 Audit Engagement Agreement** - Attached is the Audit Engagement Agreement for 2019. In the past, these have been a three-year agreement; however, this is a one-year agreement as both KDV in and effort to reassess the audit efficiencies of KDV, regulatory changes, and the increased work/projects within the City. The cost for the audit in 2019 will be \$18,850. The cost for the Fire audit in 2019 will be the same as the previous year and will be brought forth at a future meeting. Motion by Perfetto, Second by Goutermont to approve the Audit Engagement Agreement with Bergan-KDV to conduct the 2019 Audit at a cost of \$18,850. MOTION CARRIED.

### City Attorney

OLD BUSINESS

NEW BUSINESS

Regular Council meeting was closed at 8:00pm

**Closed Session on Labor Negotiations** – The Council closed the meeting for the purpose of discussing Labor Negotiations.

Regular Council Meeting opened at 08:49pm

**Claims** – Motion by DeRosier, second Perfetto to approve payment of \$175,775.36 in unpaid claims and \$130,354.34 in paid claims. MOTION CARRIED.

Motion by DeRosier, second Perfetto to adjourn at 8:51 p.m. MOTION CARRIED.

Minutes taken by Anna Kochendorfer

Attest:

  
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Scott M Johnson, Mayor

  
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Lana Fralich, City Administrator