

**CITY COUNCIL**

7:00 P.M.

June 4, 2018

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

Lana Fralich, City Administrator  
Tim Costley, City Attorney  
Jack Dietz, Police Officer  
Randy Lasky, Karl Schuettler, Northspan Group  
Chris Toal, Wilderness Products  
Teri Cadeau, Lake County News Chronicle

Johnson called the meeting to order at 7:02 p.m.

**Agenda** – Law Enforcement Torch Run was added to communications and Airport Closing was added to new business. Motion by Hoff, second Perfetto to approve the agenda as amended. MOTION CARRIED.

**Consent Agenda** – Motion by Perfetto, second Hoff to approve the minutes of May 21, 2018 regular Council meeting. MOTION CARRIED.

**Petitions, Requests and Communications**

**Campground** – It was noted that the \$1,765,000 bonding request for the campground was approved. The Council thanked Senator Bakk, Rep. Ecklund, and Lobbyist Bergren for their work on this project. They also thanked Rep. Dettmer, Rep. Murphy, Rep. Metsa, and Senator Tomassoni for co-authoring or signing onto the bill and all the other Legislators who supported the bill. There was discussion about additional funding needed, the engineering process, and the timeline of this project. The Council noted the good work that the Council, Administrator and staff have done on this project.

**Law Enforcement Torch Run** – Dietz presented information about this run, held in Two Harbors on June 19, to raise money for Special Olympics. It was noted that our Police Dept. is partnering with Two Harbors Police Dept. and the Lake County Sheriff Dept. in this event and that T-shirts were for sale to raise funding for this project.

**City Administrator**

**Northspan Group** – Lasky and Schuettler presented information about the results of surveys and meetings with local businesses and the discussion from the last EDA meeting regarding this survey. There was discussion about improving communication between businesses and with the city, short-term workforce needs at Northshore Mining, meeting the needs of the existing local businesses, the campground project and development of the business park. It was noted that this project went \$3,600 over the budget due to the

increased meeting time and follow up with the businesses that requested additional help. Motion by DeRosier, second Perfetto to approve the total cost to the Northspan Group, of approximately \$13,600 for their work in providing economic development assistance to Silver Bay's businesses and the City. MOTION CARRIED.

**Wilderness Products Lease Amendment** – The Council reviewed a request from Wilderness Products to defer monthly lease payments from January 2018 to May 2018, to be repaid on a graduated scale in 2019 and 2020. The Mary MacDonald Building Committee recommends approval of this amendment. It was noted that no lease payments have been received from Wilderness Products for January through May due to changes in his business that impacted his cashflow. There was discussion about not setting precedence with granting this request but looking at situations like this on a case by case basis. Motion by Hoff, second DeRosier to approve an amendment to the Wilderness Products Mary MacDonald lease, with regular monthly payments will be made to the City for June – December, 2018, and with repayments for January – May, 2018 to be made on a graduated scale in 2019 and 2020. MOTION CARRIED.

**Resolution 2018-24** – Motion by Perfetto, second Hoff to adopt Resolution 2018-24, appointing election judges and alternates for the August 14, 2018 primary election and the November 6, 2018 general election.

Member Perfetto – aye

Member Hoff – aye

Member DeRosier – aye

Member Goutermont – absent

Mayor Johnson – aye

RESOLUTION 2018-24 WAS ADOPTED 4 aye, 0 nay, 1 absent

The Council thanked the election judges for their service.

**Temporary Liquor License** – It was noted that this application is for an on-sale license for sales in the City Hall and Liquor Store parking lots during the Bay Days weekend. Motion by Perfetto, second Hoff to approve a temporary on-sale liquor license for the Municipal Liquor Store on July 12-15 at the Municipal Liquor Store parking lot and the City Hall parking lot. MOTION CARRIED.

**Resignation** – The Council reviewed a resignation from Julie Meyers as part-time library clerk and thanked her for her service. Motion by DeRosier, second Perfetto to accept the resignation of Julie Meyers as part time library clerk. MOTION CARRIED.

**Summer Hires** – The Library Board is recommending hiring Ashley Evans as a part-time summer aid. Motion by Perfetto, second Hoff to hire Ashley Evans as a part-time library aide with hire date effective upon successful completion of a background check, with a starting wage of \$9.65. MOTION CARRIED.

## NEW BUSINESS

**Airport Closing** – The Council reviewed a notice from the MN Dept. of Aeronautics that the airport runway has deteriorated to the point where MnDOT has chosen to close the runway and their intention to revoke the airport license. The FAA has requested a meeting with the Council. There was discussion about the process to close the airport, the history of the operation of the airport, FAA funding mandates, and the impact the FAA/MnDOT

requirements and accepting their funding have on the taxpayers of Silver Bay. There was a consensus, due to financial reasons, to continue to not put additional city levy dollars into the airport. Motion by Perfetto, second Hoff to hold a special Council meeting on June 13, at 2:00 p.m. to discuss with the FAA and MnDOT, MnDOT's decision to close the runway at the Silver Bay airport, and take action, if necessary, relating to MnDOT's closure of the Silver Bay airport runway. MOTION CARRIED.

OLD BUSINESS – No old business was presented.

**Claims** – Motion by Hoff, second Perfetto to approve payment of \$113,910.01 paid claims and \$33,643.58 in unpaid claims. MOTION CARRIED.

Motion by Perfetto, second DeRosier to adjourn at 8:00 p.m. MOTION CARRIED.

Minutes taken by Lance K Beachem

  
\_\_\_\_\_  
Scott M Johnson, Mayor

  
\_\_\_\_\_  
Lana Fralich, City Administrator