

CITY COUNCIL

7:00 P.M.

Monday, October 19, 2020

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

Lana Fralich – City Administrator
Timothy Costley – City Attorney
Joe Rhein – City Engineer, Bolton and Menk – VIA ZOOM
Mark Kasma – Bolton and Menk – VIA ZOOM
Greg Hull – Silver Creek Township

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

Agenda – Motion by Goutermont, second Perfetto to approve the agenda with the addition of Resolution 2020-#53, Resolution 2020-#54 and the revision to move the Old Business Item, Silver Bay Airport, up in the Agenda before City Administrator. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Consent Agenda – Motion by Perfetto, second Goutermont to approve minutes from the October 5, 2020 City Council meeting. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Petitions, Requests and Communications

Multi-Trailhead Center – The Council discussed the awarded \$1.1 million by the State Legislator through the bonding bill for the bonding bill. There was further discussion on the amount being less than the \$1.9 million request, application submissions to various funding sources to obtain additional project dollars, potential changes to the scope of the project pending funding, and timeline of the project. Council thanked local Legislators Senator Tom Bakk and Representative Rob Ecklund, along with Representative Mary Murphy who Chairs the House Capital Investment Committee, and all Legislators for their support of the project.

Email from Steve Jones – The Council reviewed an email from Steve Jones who congratulated the Council on obtaining funding for the Multi-Modal Trailhead and offered his perception on community involvement in Council discussion and decisions. No further action was taken.

Updated Police Patch –The Council reviewed a new rendering of the police department patches that reflect our new city logo, with consensus of the Council accepting the new design.

Northshore Mining – The board discussed reviewed an email from the MN Pollution Control Agency relating to the release of public comment on a draft 401 water quality certification for Northshore Mining.

City Administrator

Bolton and Menk Proposal for Business Park Borings – The Council reviewed a proposal from Bolton & Menk relating to conducting soil borings in the business park to determine if infrastructure and roadways could be expanded. There was discussion for the need to conduct the testing's in order to help determine feasibility of the project, preliminary engineering, and cost estimates for the purpose of creating shovel ready sites and for submission of a Federal EDA grant to obtain funding. There was further discussion of only doing soil borings versus core borings, the cost of doing four borings, eight borings, and all twelve recommended borings, the cost of mobilization, designing the park to utilize existing landscape versus amending the landscape and both designs need soil testing's, that the City Street Department would clear the sites marked for borings, and that the EDA recommends doing as many borings it can for up to \$20,000. Councilor Goutermont discussed if the City Street Department could dig a hole while clearing the sites to see if they hit rock before approving the expense of the soil testing's to help determine if there is rock. Council tabled the decision to discuss with the Street Department to conduct review before testing's are completed.

Resolution 2020-#49 MN Department of Natural Resources State Park Road Application – The Council reviewed proposed Resolution 2020-#49 relating to the submission of an application to the State Park Road Account Program to obtain a portion of the funding needed for improvements to East Lakeview Drive from the intersection of West Lakeview Drive to Black Beach Parking. Motion by Goutermont, second Hoff to adopt Resolution 2020-#49 to submit application to the MN Department of Natural Resources State Park Road Account Program as presented. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto –Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020-#49 - WAS ADOPTED: 5 Aye, 0 Nay, 0 Absent

Resolution 2020-#50 IRRR Grant Application Program - The Council reviewed Resolution #50 for application to the IRRR Grant Application Program to aid in costs to have Bolton and Menk submit application to the SPRA program on the City's behalf. Motion by Perfetto, second DeRosier to adopt Resolution 2020-#50 to approve the grant application as presented. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020 #50 - WAS ADOPTED: 5 Aye, 0 Nay, 0 Absent

Resolution 2020-#51 MN DNR Grant Agreement for Fire Department – The Council reviewed a Grant Agreement from the MN DNR to purchase turnout gear for the Fire Department and tabled the discussion until the next meeting due to policy on Fire Department topics.

Resolution 2020-#52 IRRR Grant Agreement for Taconite Community Relief Funding – The Council reviewed a Grant Agreement from the IRRR, in the amount of \$50,000, for the purpose of creating a loan fund for businesses within the Silver Bay Community who have been impacted by COVID-19, and that the City's matching contribution is \$12,500 from the EDA 271 fund, for a total loan pool of \$62,500. There was discussion regarding that repayment of the loan will be retained by the City for its future Economic Development purposes and that any funds not expensed prior to June 30, 2021 will need to be returned to the IRRR. Motion by DeRosier, second Hoff to approve Resolution 2020 #52 IRRR Grant Agreement in the amount of \$50,000, along with contribution of \$12,500 from the City 271 EDA fund, for Taconite Community Relief Loan Fund. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020 #52 - WAS ADOPTED: 5 Aye, 0 Nay, 0 Absent

COVID-19 Taconite Community Relief Loan Program Guidelines and Application – The Council reviewed the COVID-19 Taconite Community Relief Loan Program Guidelines and Application related to the IRRR Grant, pending acceptance of the grant agreement with IRRR. The guidelines outline the use of the funds, which include working capital, business expansion uses, capital improvement uses, or other business uses deemed appropriate by the City. The term of the loan is 3-years for minimum loans of \$2500 and under \$10,000; or 5-years for loans \$10,000 or more. A loan cannot exceed \$62,500. The interest rate is 1% for the term of the loan. There is also a forgiveness portion of 25% if a business retains its level employees throughout the term of the loan and stays in operation in Silver Bay throughout the entire term of the loan.

Motion by Hoff, second by DeRosier to approve application for COVID-19 Taconite Community Relief Loan Program. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Police On-line Training – The Chief of Police would like to have Cole Ernest take the FTC training for the police department. The cost of the training is \$295, but there are no meals, mileage, or hotel costs since it is an on-line class and can be done on-site. Motion by Goutermont, second by Perfetto to approve On-line Field Officer training for Cole Ernest. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Coop Light and Power Grant – The Council was presented a letter from the COOP Light and Power awarding the Silver Bay Police Department \$1,400 from their Operation Round-up Program to help aid in the purchase new AED's to replace the expiring ones. Motion by Hoff, second by DeRosier to approve acceptance of \$1400 from the Operation Round up Program to help aid in the purchase of new AEDS's to replace expired ones. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Street Superintendent Hiring – Council was briefed on The Personnel Committee's efforts to find a replacement for the retiring Street Superintendent, they have interviewed internal and external candidates for the hiring of the next Street Superintendent. The Personnel Committee is recommending the promotion of internal candidate, Corey Cook, who has 18 years of existing service working with this department and has served as the Acting Department Head in any absences of the Superintendent. Due to the promotion of within of a union employee per labor contracts, Corey Cook will have 2 pay periods (28 days) to determine if he wants to remain in this position or go back to his current position. Corey will be increased to 90% of the current Superintendent pay and have a 6-month probationary period. Upon successful completion of his probationary period as the Superintendent, Corey would begin to receive full wages. His effective date of promotion will begin on Tuesday, October 20, 2020. The Council would like to congratulate Corey Cook and believes that he will serve the position well. Motion by Perfetto, second by Goutermont to approve the appointment of Corey Cook for the Street Superintendent Position. MOTION CARRIED

Mayor Johnson – Aye

Member Goutermont – Aye

Member Perfetto – Aye
Member Hoff – Aye

Member DeRosier – Aye

Resolution 2020-#53 is an IRRR grant for the Daycare facility for the school – The Council discussed that The William Kelley School and engineers have met with IRRR to request additional grant dollars for the project, for an amount of around \$60,000. IRRR is requesting the City approve submitting the application for the additional grant dollars for this project. Motion by DeRosier, second Goutermont to approve the grant agreement Resolution 2020 #53 for Daycare facility at the school. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020 #53 - WAS ADOPTED: 5 Aye, 0 Nay, 0 Absent

Resolution 2020-#54 is to submit application for the Multi-Trail Center to the Transportation Alternative Grant program – The Council reviewed the qualifications and guidelines for submitting an application for the Transportation Alternative Grant Program in regards to the new Multi-Trail Center Project. The Council was reminded that the Letters of Intent are due by the end of the month, but that it is important to stay on the application submission in an effort to try and obtain \$600,000 for the Trailhead. Motion by Goutermont, second DeRosier to submit application for the Multi-Trail Center to the Transportation Alternative Grant Program Resolution 2020 #54. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2020 #54 - WAS ADOPTED: 5 Aye, 0 Nay, 0 Absent

City Attorney

OLD BUSINESS

Silver Bay Airport – The Council reviewed the Proforma Cash Flow proposal created by Silver Creek Township to take over Sponsorship of the Silver Bay Airport. Silver Creek is requesting that the City of Silver Bay accept the CARES-Act funding of \$20,000 and transfer that amount to the Township. In addition, they are requesting Silver Bay provide financial aid of \$25,000 per year for 5 years, to aid in the operations of the facility. The Council discussed the pros and cons of relinquishing sponsorship of The Silver Bay Airport and current financial obligations towards to FAA. Mayor Johnson mentioned that he has been in contact with Senator Stauber and Senator Klobuchar on this matter. Klobuchar has not taken any further action on our behalf. Silver Creek Township Resident Greg Hull, declared that he has received substantial feedback from

his City Council. The biggest concern is the value of property taxes being increased, but the majority are in support of the proposal. DeRosier raised concerns about transferring the debt to the Silver Creek Township, he additionally discussed the debt owed to the FAA from the Airport itself, Land and Perpetuity. Mayor Johnson would like to recognize the due diligence and the efforts of Greg Hull in proposing this arrangement. Motion by DeRosier, second by Hoff to not get involved in a contract with the Silver Creek Township's Proposal based on the \$25,000 a year for 5 years stipulation, plus the transfer of the \$20,000 CARES-Act funding at this time. MOTION CARRIED

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Greg Hull left the meeting at 7:29 p.m.

NEW BUSINESS

Claims: Motion by Perfetto, second Hoff, to approve payment of \$36,030.85 in unpaid claims and \$103,817.70 in paid claims. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Motion by DeRosier, second Perfetto to adjourn at 8:15 p.m. MOTION CARRIED.

Mayor Johnson – Aye
Member Perfetto – Aye
Member Hoff – Aye

Member Goutermont – Aye
Member DeRosier – Aye

Minutes taken by Devon Monteith

Attest:



Scott Johnson, Mayor



Lana Fralich, City Administrator