

## CITY COUNCIL

7:00 P.M.

Monday, October 5, 2020

Present: Mayor Scott Johnson  
Shane Hoff  
Carlene Perfetto  
Dustin Goutermont

Excused: Richard DeRosier

Lana Fralich – City Administrator  
Timothy Costley – City Attorney  
Joe Rhein – City Engineer, Bolton and Menk – VIA ZOOM

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

**Agenda** – Motion by Hoff, second Goutermont to approve the agenda with the addition of Vineyard Church Halloween Party in Communications. MOTION CARRIED.

**Consent Agenda** – Motion by Perfetto, second Hoff to approve minutes from the September 21, 2020 Regular Council meeting and the September 28, 2020 Special Council meeting. MOTION CARRIED.

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

**Vineyard Harvest Halloween Party** – The Council discussed a verbal request from the Vineyard Church to hold their annual Harvest Halloween Party in the Mary MacDonald Business Center. Motion by Perfetto, second Goutermont to allow the Church to hold the Harvest Party in the Mary MacDonald Building so long as COVID-19 social distancing requirements are upheld, appropriate sanitation measures are met and the church is responsible for the set-up/take-down and clean-up of the event. MOTION CARRIED

Mayor Johnson - Nay  
Member Perfetto - Aye  
Member Hoff – Aye

Member Goutermont - Aye  
Member DeRosier - Absent

### **City Administrator**

**Lodging Tax Update** – The Council discussed an email from the State with an attachment from a prior Attorney General opinion, recognizing the current use of the lodging tax can only be used for marketing and promotion. The City will need to go through special legislation to change the use of the funds. City Administrator contacted Senator Bakk who advised support to sponsor special legislation for a change of use of the City's lodging tax. If Council desires to continue the process of special legislation to change the use of the tax, there is no action to be taken. Current use of the tax will remain at least through the end of the session in 2021.

Mayor Johnson specified that he would like to leave taxes in place for the time being. No further action was taken.

**Black Beach Engineering** – The Council reviewed Bolton and Menk’s request for additional engineering costs in the amount of \$28,917.50 for overages they feel were outside their scope of the contract in an effort to provide the services needed to the City to complete the Black Beach Project. City Engineer provided additional details regarding the extra costs affiliated with the Black Beach Engineering Project. Hoff discussed his lack of support for this overage, concern for future projects, and expectations of the engineer. Goutermont supported Hoff’s comments. Motion by Johnson, to approve additional expenditures for the Black Beach Engineering Project. Motion died due to lack of a second. Motion by Hoff, second by Goutermont to deny additional charges requested by Bolton and Menk for the Black Beach Engineering Project. MOTION CARRIED

Mayor Johnson - Nay  
Member Perfetto - Aye  
Member Hoff – Aye

Member Goutermont - Aye  
Member DeRosier - Absent

**MN Department of Natural Resources State Park Road Application** – The Council discussed a grant opportunity through the MN DNR’s State Park Road program that both the City Engineer and City Administrator recommend applying for. Funds would be used to make improvements to East Lakeview Drive (from the West Lakeview Drive point to Black Beach Parking area). Bolton and Menk prepared a proposal to submit the grant on the city’s behalf for a cost of \$3,500. This project is different than the Local Road Improvement Program (LRIP) funding previously applied for. The City Administrator discussed the intention to apply for an IRRRB Application Grant for up to \$3,000 to aid in a portion of these costs. The deadline for submission is November 1, 2020. Hoff advised that the city should contact Senator Bakk for support. Motion by Mayor Johnson, Second Hoff to approve Bolton and Menk’s proposal to submit application before November 1<sup>st</sup>, to the MN DNR’s State Park Road program, for a cost of \$3,500. MOTION CARRIED

Mayor Johnson - Aye  
Member Perfetto - Nay  
Member Hoff – Aye

Member Goutermont - Aye  
Member DeRosier - Absent

**CARES-ACT funding** - The Council received \$137,345 from the CARES-Act for COVID-19 relief funding. City Administrator discussed her conversation with the League of Minnesota Cities Attorney and options that could be considered for the use of the funds. The Council reviewed the options which include covering city unbudgeted expenses related to COVID-19, allocating all for Public Safety, provide grants to businesses, transfer to the school, or a combination thereof. There was further discussion on City business-related expenses, deadline to expense the funds of November 15<sup>th</sup>, 2020, reporting of funds expensed by the end of the year, and that the excess funds should go to support the local businesses and schools. There was

continued discussion that the City application for grants to businesses will mirror the Lake County grant application and would be administered by the Chamber of Commerce for ease to the local businesses. Motion by Hoff, second by Perfetto to cover City expenses related to unbudgeted expenditures of the City first, split the remaining funds between the school and the Business Community, have the Lake County Chamber Administer business grants for up to \$2500 to businesses with fewer than 10 employees and up to \$5,000 to businesses over 10 employees but less than 20 employees, and remaining funds to be applied to Public Safety prior to November 15<sup>th</sup>, 2020. MOTION CARRIED.

**City Attorney**

OLD BUSINESS

NEW BUSINESS

**Claims:** Motion by Goutermont, second Perfetto, to approve payment of \$101,773.29 in unpaid claims and \$158,164.52 in paid claims. MOTION CARRIED.

Councilman Goutermont acknowledged Silver Bay resident Ed Mackey for his efforts in collecting garbage around town and thanked him for his time in helping to keep the community clean. The Mayor would like more positive reports like this be brought up by Council.

Motion by Perfetto, second Hoff to adjourn at 7:40 p.m. MOTION CARRIED.

Minutes taken by Devon Monteith

Attest:

  
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Scott Johnson, Mayor

  
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Lana Fralich, City Administrator