

CITY COUNCIL

7:00 P.M.

Monday, October 7, 2019

Present: Mayor Scott Johnson
Carlene Perfetto
Richard DeRosier
Dustin Goutermont

Excused: Shane Hoff

Lana Fralich – City Administrator
Tim Costley – City Attorney
Teri Cadeau - Lake County News Chronicle
John Graupman – Bolton & Menk
Mike Miller – Utility Superintendent
Derrick Goutermont
Officer Nick O'Toole

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

Agenda – Motion Perfetto, second DeRosier to approve the agenda as presented.
MOTION CARRIED.

Consent Agenda – Motion Goutermont, second Perfetto to approve the minutes from the September 16, 2019 Budget Workshop, September 16, 2019 Regular Council Meeting, September 23, 2019 Budget Workshop, the September 23, 2019 Special Council Meeting, and the July 2019 Treasurer's Report. MOTION CARRIED.

Petitions, Requests and Communications**City Administrator**

Resolution 2019 - #43 FEMA AFG Grant for Fire Department – All five Council members must be present to vote per the policy for the Fire Department. Motion DeRosier, second Goutermont to table Resolution 2019 - #43 and Resolution 2019 - #44, until the next Regular Council meeting scheduled October 21st, 2019. If all five members cannot attend a special meeting will be called. MOTION CARRIED.

Resolution 2019 - #44 MOU for AFG Regional Grant Submission – Tabled until next Regular Council meeting schedule October 21st, 2019. If all five members cannot attend a special meeting will be called.

Preliminary Treatment – Fralich reported on the project and updated the Council on the grants and loans for the project reserved by the Public Facilities Authority (PFA), which include a PSIG grant in the amount of \$721,320, a WIF grant in the amount of \$1,156,879 and a Loan amount of \$2,677,296. Graupman discussed the status of the Preliminary Treatment project and that Magney Construction was the lowest responsible bidder in the amount of \$3,991,900. Graupman explained why he thought the actual bid costs are considerably higher than originally planned. There is concern for the aging facility and the

unpredictability of future construction costs and additional engineering costs. In addition, the current grant/loan combination appears favorable for the City and by not doing the project now there is the unpredictability of the availability of future grants, interest rates, or loan availability.

DeRosier asked to clarify why the bids came in so high. Graupman reported that the scope of the project was prepared in 2017. Graupman expressed the trend they've noticed this year is the price of construction has increased more than anticipated and there are less contractors bidding, making it difficult to receive competitive bids. DeRosier recommends that all projects open for bid in the future include a contingency for the possible increase in bid amounts compared to estimated project costs.

The Council reviewed a copy of the PFA loan amortization schedules. Fralich suggests approving the 20-year loan repayment schedule. Johnson commented on the possible increase in costs if the project is postponed. Miller explained why it is important to get this project completed and the impact it will have on the City if the project isn't completed.

Motion Goutermont, second DeRosier to award Magney Construction in the amount of \$3,991,900 with the Engineers to move forward with preparing the notice of award, contracts, and notice to proceed documents and also to approve the 20-year loan payment schedule with an interest rate of 1%. MOTION CARRIED.

Graupman reported that Bolton & Menk have incurred an additional \$24,000 in engineering costs relating to the adjustments with the PFA loan. They are anticipating that the construction portion of their budget will be enough to cover the overage; however, if that is not the case then they would request reimbursement at that time for the \$24,000 or a portion thereof. Motion DeRosier, second Perfetto acknowledging \$24,000 of engineering costs relating to the adjustments with the PFA, with the expectation the Engineers will come in or under budget and an amendment will not be needed. MOTION CARRIED.

Resolution 2019 - #45 IRRRB Grant Submission for Preliminary Treatment and Clarifier Improvement Project – The Resolution is for authorization to submit a grant application to IRRRB for \$250,000 to support improvements to be made for the preliminary clarifiers. The IRRRB funds will not be directly used on the portion paid for by the PFA loan, but will be used to enhance additional needs relating to the pretreatment of the wastewater plant. The project will only happen if the City is awarded the grant. Motion Perfetto, second DeRosier to authorize the grant application submittal. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier - Aye

RESOLUTION 2019 - #45 WAS ADOPTED: 4 aye, 0 nay, 1 absent

Graupmen and Miller left meeting at 7:30 p.m.

Mayor Johnson asked Commissioner Derrick Goutermont, in the audience, if he had any questions or comments he'd like to address to the Council. Commissioner Goutermont commented that he was there on behalf of East Lake Clinic and would like to clarify a few things regarding the North Shore Adventure Park (NSAP), the trail easement, and the parking lease the East Lake Clinic has with NSAP. He reported to Council that the easement and the entire trail is on the clinic property and they have no intentions to sell any property. The East Lake Clinic has a lease agreement with the NSAP for parking spots for NSAP visitors. This is a revenue source for the clinic. The clinic does have some concerns as parking overflows at times, but the NSAP has been accommodating to all clinic concerns.

The City Attorney reviewed the easement that was drafted in the past. When the City sold the property to Sophiale, they found out that the previous easement was never recorded with Lake County. The City Attorney created an easement and had it recorded with the County. The City Attorney confirmed the trail is fully on the East Lake Clinic property, and not residential property.

Commissioner Goutermont left the meeting at 7:40 p.m.

Chief of Police Training – It is recommended for Chief Kochendorfer to attend CLEO and Command Academy Training. The Academy will be held February 10th-14th at Camp Ripley in Little Falls, MN. The cost of the course is \$675 which includes lodging and meals. Motion DeRosier, second Perfetto to approve Chief Kochendorfer to attend CLEO and Command Academy Training on February 10th-14th at Camp Ripley in Little Falls, MN at the cost of \$675 for the course with normal meals and mileage reimbursements. MOTION CARRIED.

Police Officer Resignation – A resignation letter was received of Office Alex McGrath effective October 18, 2019. Council thanked Officer McGrath for his service. Motion Perfetto, second Goutermont to accept the resignation with regret of Officer Alex McGrath, effective October 18, 2019. MOTION CARRIED.

Full-time Police Officer Advertisement – Due to the resignation of Alex McGrath, an advertisement for the position opening was reviewed. Motion Perfetto, second Goutermont to move forward with advertising the open Full-time Police Officer position. MOTION CARRIED.

Goutermont was left the meeting at 7:44 p.m.

Airport Hangar Lease – Motion by Perfetto, second DeRosier to approve an airport hangar lease with Larry Hickman, to begin on October 8, 2019. MOTION CARRIED. It was noted the lease agreement is on a month to month basis and he is aware of the potential closing of the airport and the current status of the runway being closed. He understands he is not allowed to fly his plane in or out.

Golf Course Building and Land Use Permit Applications – Motion by DeRosier, second Perfetto to approve the submission of a Land Use and Building Permit application to replace a storage unit at the Silver Bay Golf Course that was damaged by a storm. It was noted that the insurance has covered the cost of the bid. MOTION CARRIED.

Arena Aide Hires – Motion DeRosier, second Johnson to hire Mason Ollman and Timothy Perfetto to work at the arena for the 2019-2020 arena season at a wage of \$10 with a starting date to be determined by the Parks and Recreation Director. The motion could not be carried due to a conflict of interest with the third council member. The item will be brought back to the October 21st meeting.

City Attorney

1. **Proposed Language Amendment for City Code Violations relating to Repeat Offenders of Yard and Waste Violations** – There is a due process issue with no solution. It will be at the officer's discretion when issuing warnings and citations. The Council asks the Police Department to continue issuing offenses when appropriate. Johnson commends the department for the work they are doing.
2. **Review of Trail Easement** – Discussed earlier in the meeting when Commissioner Goutermont was in attendance.

OLD BUSINESS

NEW BUSINESS

- A. **Richard Selz Board Resignation** – Richard Selz has resigned from both the Economic Development Authority and the Planning and Zoning effective immediately. The Council thanks him for his time served. Motion DeRosier, second Perfetto to accept Richard Selz resignation from the Economic Development Authority and the Planning and Zoning Commission. MOTION CARRIED.

Regular Council meeting was closed at 7:54 p.m.

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

Regular Council Meeting was reopened at 8:49 p.m.

Claims – Motion Perfetto, second DeRosier to approve payment of **\$564,424.26** in unpaid claims and **\$108,917.82** in paid claims. MOTION CARRIED.

Motion DeRosier, second Perfetto to adjourn at 8:54 p.m. MOTION CARRIED.

Minutes taken by Lindsey Klemmer



Scott M Johnson, Mayor



Lana Fralich, City Administrator