

CITY COUNCIL

7:00 P.M.

Tuesday, January 18, 2022

Present: Mayor Wade LeBlanc
Richard DeRosier
Ben Bautch
Dustin Goutermont

Excused: Shane Hoff

Lana Fralich, City Administrator
Tim Costley, City Attorney
Joe Rhein, City Engineer, Bolton & Menk, LLC – via ZOOM
John R. Anderson, Sawtooth 16, LLC – left at 7:35 p.m.
Julie Anderson, left at 7:35 p.m.
John Jamnick, JPJ Engineering – left at 7:35 p.m.
David Drown, City EDA Director

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

Agenda – Motion by DeRosier, second Goutermont to approve the Agenda with addition of USFS BLM Land Withdrawal Letter from Range Mayors. MOTION CARRIED.

Consent Agenda – Motion by Goutermont, second Bautch to approve the meeting minutes from the January 4th, 2022 Regular Meeting and October 2021 Treasurer Report. MOTION CARRIED.

Petitions, Requests, and Communications –

USFS BLM Land Withdrawal Letter from Range Mayors- Council reviewed a letter and resolution from Ida Rukavina, Range Association of Municipalities and Schools, in support of mining and Twin Metals and opposition to the Federal land withdrawal. Mayor LeBlanc is asking for support from Council to sign on behalf of Silver Bay. Motion by Goutermont, second DeRosier to approve Mayor signing on to the RAM's Mayoral letter. MOTION CARRIED.

City Administrator –

Resolution 2022-#5a City Fees Amendment – Council reviewed an amendment to City Fees pertaining to Dog and Cat licenses by including a new 3-year license fee of \$15.00 for animals who have been spayed/neutered and that a late fee of \$10 will be applied in conjunction with expiration of animal's rabies vaccination instead of a February 28th date. The annual license and fees do not change for spayed/neutered and not spayed/not neutered animals. Motion by DeRosier, second Bautch to approve Resolution 2022-#5a City Fees Amendment with changes to Dog/Cat License fees. MOTION CARRIED.

Mayor LeBlanc – Aye
Member Bautch – Aye
Member Hoff – Excused

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 05a WAS ADOPTED: 4 aye, 0 nay, 1 excused

Resolution 2022-#9 Transportation Alternative Grant Submission for Multi-Modal Trailhead Center- Council reviewed the grant submission to the Transportation Alternative Program for the Multi-Modal Trailhead Center that has been submitted due to the deadline date. The request is for \$600,000. Also noted, as announced earlier today, the Multi-Modal Trailhead Center has made the Governors list in the amount of \$3 million. Motion by Goutermont, second Bautch to approve Resolution 2022-#9 grant application submission to the Federal Transportation Alternative Program for the Multi-Modal Trailhead Center. MOTION CARRIED.

Mayor LeBlanc – Aye
Member Bautch – Aye
Member Hoff – Excused

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 - 09 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Resolution 2022-#10 Purchase and Development Agreement with Sawtooth 16, LLC for Development of Boathouse Bay in the Silver Bay Business Park. John Anderson, owner of Sawtooth 16, LLC presented his plans for the development of Boathouse Bay in the Business Park, consisting of 53 units of residential housing including single family lots, townhomes, and tiny houses, a 94-unit commercial storage facility and 2200 square foot Event Center based on the planned PUD with estimated cost of \$20 million. EDA Director addressed the Council on the overall development, the impact the project will have on the community, the timeline and build out of the project, how TIF financing will be used to offset the costs of infrastructure, recouping of land values, city fees, and legal fees, IRRR proposed grants to help offset costs of infrastructure, and his recommendation of the project. The Council reviewed the original application submission and a proposed Purchase and Development Agreement that was recommended by the EDA Board, which includes the property being sold for \$1, that the city will be responsible for the estimated \$1.2 million in water and sewer infrastructure, the city will act as the fiscal agent for grant writing, and the city will waive fees after \$10,000. The City Attorney addressed topics for consideration including, the project calls for short-term rentals and the impact this will have on city codes and other future desires for short-term rentals, there is no proof of financing commitment from the bank and the importance of obtaining this commitment, that the Agreement lacks details relating to the design and aesthetics of the construction, no access to the lake for the above parcels if the city property along the lake gets developed and the rest of the property does not, and capped fees of \$10,000 will not cover the current fee schedule of the city for building permits, water and sewer access charges, inspection, legal fees, or other fees relating to the project. Council further reviewed the Planning and Zoning Board's determination that the project is in compliance with the City Comprehensive Plan, the risks associated with the development, the impact the project will have on the net tax capacity of the city, how it is creating housing, benefits of the project, and this area being appropriate for short-term rentals. Motion by DeRosier, second Goutermont to approve Resolution 2022-#10 for the Purchase and Development Agreement with Sawtooth 16, LLC for the development of Boathouse Bay in the Silver Bay Business Park as presented. MOTION CARRIED.

Mayor LeBlanc – Aye
Member Bautch – Aye
Member Hoff – Absent

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 - 10 WAS ADOPTED: 4 aye, 0 nay, 1 absent

Resolution 2022-#11 Memorandum of Understanding with Lake County Health and Human Services for Mass Dispensing- Council reviewed an updated Memorandum of Understanding with

Lake County Health and Human Services use of the Reunion Hall in the event of an emergency or outbreak. Motion by DeRosier, second Bautch to accept Resolution 2022-#11 with Lake County Health and Human Services. MOTION CARRIED.

Mayor LeBlanc – Aye
Member Bautch – Aye
Member Hoff – Absent

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 - 11 WAS ADOPTED: 4 aye, 0 nay, 1 absent

Resolution 2022- #12 Amend Contract with Magney Construction for Wastewater Preliminary Treatment Project- Discussion on an amendment to the original contract for Change Order #1 with Magney Construction for the Wastewater Preliminary Treatment Project, revising the original contract from \$3,991,900 to \$4,049,065.70. There was discussion on the change order relating to the replacement of overhead power lines to buried lines and remove a double breaker that violated electrical code, furnish new equipment for the existing trickling filter, relocate piping to allow for installation of clarifier dome foundation, and revise a power feed to the primary clarifiers at a cost of \$57,165.70. Joe Rhein, City Engineer provided additional information on reasons for the change order versus separate repairs and that the costs are still part of the PFA Grant/Loan available to the city. Motion by Bautch, second DeRosier to pass Resolution 2022-#12 amending the contract with Magney Construction for Change Order #1 at an increase of \$57,165.70 for a revised total contract amount to \$4,049,065.70. MOTION CARRIED.

Mayor LeBlanc – Aye
Member Bautch – Aye
Member Hoff – Absent

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 - 12 WAS ADOPTED: 4 aye, 0 nay, 1 absent

Pay Equity Report- Council reviewed the Pay Equity and Compliance Report to be submitted at the end of January 2022 to the State of MN. Motion by Goutermont, Second DeRosier to authorize City Administrator to submit the Pay Equity Report to the State of MN. MOTION CARRIED.

Set Special Meeting for 2021 Year-End Financial Review for Audit- Motion by Goutermont, second Bautch to set a Special Meeting on January 31, 2022 at 10:00 a.m. for the purpose of final approval of all year-end items for upcoming audit including Treasurer's Reports, Budget Amendments, Transfers and other miscellaneous items. A second Special Meeting is scheduled for February 4, 2022 at 10:00 a.m. for any additional final adjustments, but will be canceled if not needed. Motion by Goutermont, second Bautch to set Special Meeting dates of January 31st and February 4th, both at 10:00am, for the purpose of year-end adjustments prior to the city audit. MOTION CARRIED.

City Attorney – None

OLD BUSINESS –

Duluth Capitol Days – March 8-10, 2022- Mayor Wade LeBlanc, Councilor DeRosier and City Administrator plan to be in attendance at the Legislative Dinner, Meetings at the Capitol, and Legislative Breakfast during Capitol Days. The City's main focus will be the Trailhead center, which are part of this session's bills, and at the request of lobbyist, will be prepared to testify if required.

There was further discussion on information for the brochure and that actual costs of lodging, meals, parking, and taxi are outside the reimbursable amount. Motion by DeRosier, second Bautch to authorize actual expenses of hotels, meals including: legislative dinner, hotel breakfast, lunch at the Capitol, and legislative breakfast as these meals are outside of the normal meal reimbursement; plus, normal meals and mileage, transportation expense (Ubers/Taxi's), and Chamber expense for booth and brochure. MOTION CARRIED.

NEW BUSINESS – None

Claims – Motion by DeRosier second Goutermont to approve payment of \$61,095.81 in unpaid claims and \$147,803.09 in paid claims. MOTION CARRIED.

Motion by DeRosier, second Bautch to adjourn at 7:54 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson



Wade LeBlanc, Mayor

Attest:



Lana Fralich, City Administrator