

CITY COUNCIL

7:00 P.M.

Monday, April 18, 2022

Present: Mayor Wade LeBlanc
Richard DeRosier
Shane Hoff
Ben Bautch
Dustin Goutermont

Lana Fralich, City Administrator
Joe Rhein, City Engineer Bolton & Menk LLC - via ZOOM
David Drown, Economic Development Authority Director, left 9:00 p.m.
Kitty Mayo, Lake County Press - via ZOOM
Christine Mallory, Northshore Journal - via ZOOM
Linda Libal, Lake County Auditor, left at 8:25 p.m.
Matt Huddleston, Lake County Administrator, left at 8:25 p.m.
Rick Goutermont, Lake County Commissioner, left at 8:25 p.m.
Gregg Swartwoudt, Lake County Assessor, left at 8:25 p.m.
Pete Walsh, Lake County Commissioner, left at 8:25 p.m.
Erik Ollila, left at 8:25 p.m.
Lisa Berg, left at 9:00 p.m.

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

Agenda – Motion by Goutermont, second DeRosier to approve the Agenda, moving Property Tax Valuations to Communications. **MOTION CARRIED.**

Consent Agenda – Motion by DeRosier, second Bautch to approve the meeting minutes from the April 4, 2022 Regular Meeting. **MOTION CARRIED.**

Petitions, Requests, and Communications

Lake County Press- Kitty Mayo introduced herself as Editor in Training for the new Lake County Press, and discussed her vision of the newspaper being a county-wide reporting, including covering Silver Bay.

Property Tax Valuations- Mayor LeBlanc presented concerns from residents regards to increased property valuations and potential higher property taxes. Lake County Assessor discussed the process for valuating properties, state requirements, market changes, how construction costs impact values, a high number of properties that had not been adjusted in the past, and encouraged the public to directly contact him with questions. There was further discussion on if the city tax levy stayed the same what would the tax impact be based upon 2023 proposed valuations, impact of fiscal disparities, and state legislative changes that impacted tax capacity relating to utility poles and railroads. There was continued discussion on Lake County appeal process, no appeal if state makes the

adjustment should valuations not comply with their requirements, the supply and demand for Silver Bay housing due to affordability, sales and values catching up to neighboring communities, loss of market value homestead credits as values increase, sharing in more of the county-wide taxes, and concerns of properties selling for non-homesteading and the impact that has on the community, workforce, and schools. The County will put together how the new valuations would look if levies were to stay the same and provide the information back to the city. Residents were encouraged to contact the Lake County Assessor's office prior to the May 11th meeting in Silver Bay and provide information as to why they feel property tax and valuation is too high.

City Administrator

Resolution 2022-#39 Calling Public Hearing on the Creation of Municipal Development District No. 1, A Development Program Relating to the Establishment of Tax Increment Financing Districts No. 1-1 and 1-2 and the Adoption of a Tax Increment Financing Plans Relating to Each. Drown provided information to Council regarding developing TIF for Boathouse Bay Development, subsidy value, City and Developers responsibilities, tax abatements and vacating of land. Motion by Goutermont, second DeRosier to approve Resolution 2022-#39 to Call a Public Hearing May 23, 2022 7:00 p.m. at City Hall on the Creation of Municipal Development District No. 1, A Development Program Relating to the Establishment of Tax Increment Financing Districts No. 1-1 and 1-2 and the Adoption of a Tax Increment Financing Plans Relating to Each. **MOTION CARRIED.**

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 39 WAS ADOPTED: 5 aye, 0 nay, 0 excused

Resolution 2022-#40 Calling Public Hearing Regarding Tax Abatement in Connection with Sawtooth 16, LLC Development of Boathouse Bay Planned Unit Development Project. Motion by Goutermont, second Hoff to approve Resolution 2022-#40 to Call a Public Hearing on May 23, 2022, 7:00 p.m. at City Hall Regarding Tax Abatement in Connection with Sawtooth 16, LLC Development of Boathouse Bay Planned Unit Development Project. **MOTION CARRIED.**

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 40 WAS ADOPTED: 5 aye, 0 nay, 0 excused

Resolution 2022-#41 Calling a Public Hearing Regarding Adoption of Business Subsidy Criteria. Updated Business Subsidy Criteria that had been previously approved now needs Public Hearing set to be effective. Motion by Hoff, second Bautch to approve

Resolution 2022-#41 Calling a Public Hearing, May 23, 2022, 7:00 p.m. at City Hall Regarding Adoption of Business Subsidy Criteria. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 41 WAS ADOPTED: 5 aye, 0 nay, 0 excused

Resolution 2022-#42 Calling a Public Hearing Regarding the Proposed Business Subsidy to Sawtooth 16, LLC. Motion by Goutermont, second DeRosier to approve Resolution 2022-#42 Calling a Public Hearing May 23, 2022, 7:00 p.m. at City Hall Regarding the Proposed Business Subsidy to Sawtooth 16, LLC. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 42 WAS ADOPTED: 5 aye, 0 nay, 0 excused

Resolution 2022-#43 Calling a Public Hearing on the Proposed Vacation of Midbrod Circle and a Portion of East Lakeview Drive. Motion by Hoff, second Bautch to approve Resolution 2022-#43 Calling a Public Hearing on May 16, 2022 at 7:00 p.m. on the Proposed Vacation of Midbrod Circle and a Portion of East Lakeview Drive. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 43 WAS ADOPTED: 5 aye, 0 nay, 0 excused

Set Special Council Meeting for May 23rd - Motion by Hoff, second Bautch to set Special Council meeting to review and take action on the Creation of Municipal Development District No. 1, A Development Program Relating to the establishing of Tax Increment Financing Districts No. 1-1 and 1-2 and the Adoption of a Tax Increment Financing Plans relating to each; on the Tax Abatement in Connection with Sawtooth 16, LLC Development of Boathouse Bay Planned Unit Development Project; on the Adoption of Business Subsidy Criteria; and on the Proposed Business Subsidy to Sawtooth 16, LLC directly following the Public Hearings set for May 23rd at 7:00 p.m. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Aye

Resolution 2022-#44 Bolton & Menk Proposal for Feasibility Study of Water and Sewer Extension for Golf Course Housing Development. Council reviewed proposal, as requested from Bolton & Menk, regarding a feasibility study to expand water and sewer for the Golf Course Housing Development project not to exceed a fee of \$18,500. Discussion followed on layout and routes. Motion by Hoff, second DeRosier to approve Resolution 2022-#44 Bolton & Menk feasibility study proposal at a cost based on an hourly basis not to exceed \$18,500. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Aye

RESOLUTION 2022 – 44 WAS ADOPTED: 5 aye, 0 nay, 0 excused

Firewood Proposal for Black Beach Campground- Three proposals were received for supplying firewood for the campground. Based on review and confirmation of the low-bid proposal, the Parks and Rec Director is recommending accepting the proposal from Joe Ernest at \$3.00/bundle, for a three-year contract with no additional delivery charges. Motion by DeRosier, second Bautch to accept Firewood proposal from Joe Ernest Logging and enter into a contract for \$3.00/bundle for the 2022, 2023, and 2024 campground seasons. MOTION CARRIED.

City Attorney – Nothing at this time.

OLD BUSINESS

NEW BUSINESS

Police Officer Training- Motion by Bautch, second DeRosier to approve Patrol Sargent Cole Ernest attend the Authorized Use of Deadly Force by Peace Officer training on May 18th in Duluth, MN at a cost of \$239, no hotel or meal fee and standard mileage. It was noted that Chief Kochendorfer has attended this training and recommends Sergeant Ernest attendance. MOTION CARRIED.

Park and Recreation Board Appointment- Dick Stern- Parks and Recreation Board is recommending the board appointment of Dick Stern. Motion by Bautch, second Hoff to accept. MOTION CARRIED.

Claims – Motion by DeRosier, second Bautch to approve payment of \$237,877.87 in unpaid claims and \$671,571.50 in paid claims. MOTION CARRIED.

Motion by Bautch, second DeRosier to adjourn at 9:06 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson

Attest:

Wade LeBlanc, Mayor

Lana Fralich, City Administrator