

CITY COUNCIL

7:00 P.M.

Monday, November 6, 2023

Present: Mayor Wade LeBlanc
Dustin Goutermont
Shane Hoff

Absent : Richard DeRosier
Ben Bautch

Lana Fralich, City Administrator
Tim Costley, City Attorney
Joe Rhein, City Engineer, Bolton & Menk via ZOOM
Jeff Anderson, Costin Group left at 7:45 p.m.
Kitty Mayo, Lake County Press via ZOOM
Rick Evans, Northshore Journal
Josh Stier, Bolton & Menk left at 8:00 p.m.
Carolyn Hudyma

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

Agenda – Motion by Goutermont, second Hoff to approve the Agenda. MOTION CARRIED.

Consent Agenda – Motion by Hoff, second Goutermont to approve the meeting minutes from the October 16, 2023 Regular Meeting and October 20, 2023 Special Meeting and June 2023 Treasurer's Report. MOTION CARRIED.

Petitions, Requests, and Communications –

Public Comments- Carolyn Hudyma expressed appreciation regarding the public information meeting on the street and utility improvements proposed and the monthly meetings listed in the Northshore Journal, and asked that Meet with the Mayor be included on the monthly meetings.

November 7th Special Election- A reminder was given on the Special Election for Precinct 1 is being held on Tuesday, November 7th from 7:00am-8:00pm at the Reunion Hall.

Newsletter- The city newsletter has been sent to residents, positive feedback received, residents can contact City Hall if they have not received one or want to receive electronically. The Council thanked Pam Puskala for putting the Newsletter together and staff for coordinating and mailing the information.

Day at the Capitol- Day at the Capitol is set for March 5th-7th, 2024. City Administrator Fralich will not be able to attend due to the Presidential Primary on March 5th. Council Members are asked to let Fralich know if they are able to attend.

Closing at East Lakeview Drive and Access to Black Beach Park- Blasting and culvert installation has started for the East Lakeview Drive project, access to Black Beach Park will be temporarily closed November 6th- November 13th. Information has been provided to the public via city website, city sign, and campground. If there is a need for an extension another notice will be sent.

LMC Mayor of the Day Essay Contest- Council reviewed information regarding the Mayor for a Day essay contest sponsored by League of MN Cities. Students in grades 4-6 can submit their essay, have a chance to win \$100, and publication of the winners essay in the MN Cities magazine. If there is a local winner Mayor LeBlanc will take them to lunch. A letter will be sent to the school to share with teachers.

City Administrator –

Costin Group Contract Amendment- The City's lobbyist, Jeff Anderson of the Costin Group, has a contract set to expire at the end of December and a request for extension was discussed for 2024. Mr. Anderson presented his success on the past funding requests and on the current work he is doing for the City at the Capital, including the bond request for street repairs. Motion by Hoff, second Goutermont to approve extension agreement for the \$1250/month from January 1, 2024 – December 31, 2024. MOTION CARRIED.

Resolution 2023-#59 Bolton & Menk- Water/Sewer Design Portion of Utilities for CSAH Road- Public Utilities Commission and Public Works have reviewed and are recommending approval of the proposal received from Bolton & Menk, Inc. relating to the design and engineering of the City's portion of the road relating to utilities, that the Council tabled review on. Motion by Goutermont, second Hoff to accept Resolution 2023-#59 Bolton & Menk -Water/Sewer Design Portion of Utilities for CSAH Road. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 59 WAS APPROVED: 3 aye, 0 nay, 2 excused

City Administrator Fralich introduced Josh Stier of Bolton & Menk who will be working with the city on various projects.

Multi-Modal Trailhead Multi-Modal Trailhead Project Update & Preliminary Site Plan- Joe Rhein, City Engineer presented the Multi-Modal Trailhead Center preliminary site plans (30% completed) to Council for review. The design is a result of input from various stakeholder groups such as the Gitchi-Gami Bike Trail Association, Scenic Byway, Silver Trail Riders ATV/Snowmobile Club, Superior Hiking Trail, Lake County, DNR, City Police, Parks and Rec, Streets and Public Utilities. Discussion regarding deadlines, parking, shelters, amenities, use of building, stormwater, and acquiring property owned by NS Mining. The Parks and Rec board has reviewed and is recommending approval. All of the meetings and discussion regarding the Multi-Modal Trailhead Center are being compiled and Council was asked for any additional comments. There was discussion regarding the main concern of the public was the loss of the ballfield and wanting to make improvements to the other ballfield's in the community to offset this loss.

Resolution 2023-#61 Multi-Modal Trailhead Soil Boring Change Order #1 & #2 – Council reviewed the current change orders from Braun Intertec. Change Order #1 relates to two soil depth changes from 10' to 25' due to the potential of having a structure in that area. The cost of Change Order #1 is \$1,455. After the most recent design meeting it was decided to remove one of the additional borings due to one of the structures being removed to account for snow storage and pet

area. Change Order #2 shows a reduction of \$750 resulting in the new revised contract amount of \$20,914 which is still below the original budgeted amount. Motion by Goutermont, second Hoff to accept Resolution 2023-#61 Multi-Modal Trailhead Soil Boring Change Order. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 61 WAS APPROVED: 3 aye, 0 nay, 2 excused

Resolution 2023-#62 Multi-Modal Trailhead Memorandum of Agreement with FHWA & MNSHPO – Council reviewed the Memorandum of Agreement between the City and Federal Highway Administration and MN State Historic Preservation Office regarding the Multi-Modal Trailhead Project. A determination was made that there would be an adverse effect on the eligible historical district resulting in compliance for funding, which includes hiring a certified consultant who meets the Secretary of Interior's Professional Qualifications Standards for History or Architectural History and developing signage sharing the history and that Bolton & Menk have staff that will meet the requirement. Motion by Hoff, second Goutermont to approve Resolution 2023-#62 Multi-Modal Trailhead Memorandum of Agreement with FHWA & MNSHPO. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 62 WAS APPROVED: 3 aye, 0 nay, 2 excused

East Lakeview Drive Update & Payment #1- Council reviewed an updated progress report for the East Lakeview Drive project and first payment request. Discussion regarding on an underground structure that was found, that it will be filled and abandoned as it does not impact the road design, that the cost was not part of the original bid so Council should expect a future change order. Motion by Goutermont, second Hoff to recommend payment approval to Lake County, as Sponsor Agent, in the amount of \$193,871.87. MOTION CARRIED.

Resolution 2023-#63 Marina Concession Agreement with Eli Yachts – The Parks and Recreation board is recommending approval of the marina concession agreement with Eli Yachts. Council reviewed the agreement drafted by the City Attorney to allow Eli Yachts to create a “ship store” at the Marina and use of the Marina building. Terms of agreement include \$100/month lease payment for the first year. Motion by Hoff, second Goutermont to accept Resolution 2023-#63 Marina Concession Agreement with Eli Yachts. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 63 WAS APPROVED: 3 aye, 0 nay, 2 excused

Jeff Anderson left meeting at 7:45 p.m.

Resolution 2023-#64 Marina Independent Contractor Agreement with Hanz Lehrke- Hanz Lehrke has been performing buoy and dock repairs for the marina in exchange for winter storage. Parks and Rec Board are recommending approval of the Independent Contractor Agreement, as

drafted by the City Attorney. Motion by Goutermont, second Hoff to adopt Resolution 2023-#64 Marina Independent Contractor Agreement with Hanz Lehrke. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 64 WAS APPROVED: 3 aye, 0 nay, 2 excused

Resolution 2023-#65 Local Road Improvement (LRIP) Grant Application Submission for New Downtown Public Street - Motion by Goutermont, second Hoff to adopt Resolution 2023-#65 Local Road Improvement (LRIP) Grant Application Submission thru MNDOT for the proposed new downtown public street. There was discussion on the Drown working with owners on the right-of-way, timing of grant submission, and funding could be up to \$1.5 million. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 65 WAS APPROVED: 3 aye, 0 nay, 2 excused

Resolution 2023-#66 Joint Venture Agreement with Lake County and City of Two Harbors Relating Cellebrite Agreement – The Police Chief is recommending approval of a joint venture agreement with Lake County and the City of Two Harbors to purchase a Universal Forensics Extraction Device at an annual subscription cost of \$2000-\$2500 which may be covered by grants. Motion by Goutermont, second Hoff to accept Resolution 2023-#66 Joint Venture Agreement with Lake County and City of Two Harbors Relating to Cellebrite Agreement. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 66 WAS APPROVED: 3 aye, 0 nay, 2 excused

Resolution 2023-#67 Liquor Store Transfer to Parks and Rec – Discussion on city code for transferring of 50% of Liquor Profits to the Parks and Rec Department, changing from using a budgeted number to the Change in Net Position from the prior year's audited financial statements. Council reviewed the 2023 transfer of \$34,278.50 based on 2022 Change in Net Position audited financial statements for the Liquor Store. There was further discussion regarding requirement for changing City Code if Council wanted to use profits for something other than Parks and Rec Department, such as using funds to help offset city street maintenance. Motion by Goutermont, second Hoff to accept Resolution 2023-#67 Liquor Store Transfer of \$34,278.50 to Parks and Rec Department. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 67 WAS APPROVED: 3 aye, 0 nay, 2 excused

2024 Health Insurance- The City's internal insurance team is recommending to not renew employee health insurance through the current Public Employee's Insurance Program (PEIP) and move to the MN Healthcare Consortium (MHC) thru the Northeast Service Cooperative (NESC), effective January 1, 2024. Council reviewed the summary of benefits on the four plans being offered to employees that will allow for flexibility of plans and/or lower cost options. Motion by Hoff, second Goutermont to cancel PEIP and move forward with MHC and offer the four health insurance options to include two plans under the Passport Network, One plan under the Essentia Network, and one plan under the Medica Elect network . MOTION CARRIED.

Local 49ers MOU Amendment to Labor Contract- The Personnel Committee is recommending approval of the MOU amendment to Labor Contract with Local 49ers. The change includes an additional \$.25/hour increase to the already agreed upon \$.50/hour making a total wage increase of \$.75/hour for 2024 and \$.75/hour for 2025. The insurance cap also increases to \$1825/month for 2024 and \$1875/month for 2025. Discussion regarding health insurance premiums being more than \$200 less than the insurance cap amount, the difference will be shared with the City at 50% of the increase. Motion by Goutermont, second Hoff to approve MOA Amendment to Local 49ers Labor Contract. MOTION CARRIED.

LELS MOU Amendment to Labor Contract- The Personnel Committee is recommending approval of the MOU amendment to Labor Contract with LELS. The change includes an additional \$.25/hour increase to the already agreed upon \$.50/hour making a total wage increase of \$.75/hour for 2024 and \$.75/hour for 2025. The insurance cap also increases to \$1825/month for 2024 and \$1875/month for 2025. Discussion regarding health insurance premiums being more than \$200 less than the insurance cap amount, the difference will be shared with the City at 50% of the increase. Motion by Goutermont, second Hoff to approve MOA Amendment to the LELS Labor Contract. MOTION CARRIED.

Assistant Librarian Benefit Amendment- Council reviewed the benefits provided to the Part-Time Assistant Librarian, a proposed amendment to how those benefits are being calculated, automating the benefit in KPay so the manual calculation is no longer needed. This position would work a 32 hour workweek, accrue vacation based upon 32 hour work week, accumulate 6.5 hours per month in sick leave, receive 6.5 hours for Holiday's paid, and no floating holiday. The position will receive a single insured benefit only for health, dental, and life. No family insurance or HSA Employer Contribution. Motion by Hoff, second Goutermont. MOTION CARRIED.

Assistant Librarian Hiring- The Personnel Committee is recommending the promotion of Julia Kloehn to fill the Assistant Librarian position that will be vacant upon retirement of Eileen Anselment. Motion by Goutermont, second Hoff to promote Julia Kloehn from her current position of Library Clerk Technician to Assistant Librarian with a wage increase to 90% of the Assistant Librarian wage, 6-month probation period, 32 hours per week and eligible for benefits in accordance with the amended benefits within the Library policy, and an effective start date of November 20, 2023. MOTION CARRIED.

Library Clerk Technician Job Description- The Library Board recommends approval of an updated Library Clerk Technician job description. Motion by Hoff, second Goutermont. MOTION CARRIED.

Library Clerk Technician Hiring- Motion by Hoff, second Goutermont to approve submitting advertising for open Library Clerk Technician position. MOTION CARRIED.

LMC Liability Coverage Waiver Form- Council reviewed the annual LMC liability coverage waiver. Motion by Hoff, second Goutermont to not waive liability limit. MOTION CARRIED.

Closing City Hall November 24th- Motion by Goutermont, second Hoff to close City Hall on Friday, November 24, 2023 (day after Thanksgiving) and that staff be required to take floating holiday or personal time off. There was discussion on swapping this day for a different holiday so that a request would not need to be made and that would be future discussion in labor negotiations. MOTION CARRIED.

Bergan KDV Audit Agreement- Council reviewed the amended audit agreement for the 2023 Audit Year that was previously discussed and adjusted as part of the 2024 proposed budget. Discussion regarding a one-year option for \$31,750 or a three-year option that lowers the 2023 audit to \$29,950 along with 2024 and 2025 audits. Motion by Goutermont, second Hoff to accept the three-year audit option. MOTION CARRIED.

Lake County Ambulance Use of Silver Bay Airport for Training- The Lake County Ambulance service is requesting the use of the Silver Bay Airport for emergency vehicle training purposes. Motion by Hoff, second Goutermont to have the City Attorney draft a License Agreement to allow for use. MOTION CARRIED.

Set Special Meeting for Boathouse Bay- Motion by Goutermont, second Hoff to set Special Meeting at 9:00 a.m. on Thursday, November 9th in City Hall for the purpose of accepting or denying bid extension for the Boathouse Bay Project. MOTION CARRIED.

City Attorney – Nothing at this time.

OLD BUSINESS – None at this time.

NEW BUSINESS –

Sourcwell Membership- City Administrator Fralich is recommending creating a membership with Sourcwell Purchasing Cooperative established by the State of MN to help government entities with public procurement. Sourcwell will solicit bids for specific products and/or services on behalf of their members and award vendor contracts. There is no cost to the city. Motion by Hoff, second Goutermont to obtain Sourcwell membership. MOTION CARRIED.

Accept Donation of Round Tables & Chairs for Reunion Hall- Motion by Hoff, second Goutermont to accept donation of 19 round tables and 200 padded chairs to the Reunion Hall valued at \$2000, all donated by David Drown. MOTION CARRIED. Council thanked David Drown for his donation.

Rec Building & Senior Workshop 2024- Due to the construction of the Multi-Modal Trailhead Center the rec building will be torn down, it has been noted that the lift station that also provides sanitary service to the Senior Workshop, is in need of repair. The Parks and Recreation Board is recommending not repairing the lift station, closure of the Rec Building, and providing alternative sanitation or work space for the Senior Workshop. Discussion use of senior workshop, no charge for 2024 season, and when trailhead center construction is complete, possibly offering services for all ages to help expand use of the building. Motion by Goutermont, second Hoff to immediately close Rec Building and find alternative sanitation for Senior Workshop. MOTION CARRIED.

Jim FitzGerald Board Renewal for Public Utilities Commission- Motion by Goutermont, second Hoff to accept Jim FitzGerald PUC board renewal application. MOTION CARRIED.

2024 Meeting & Holiday Dates- Motion by Goutermont, second Hoff to approve 2024 City Council Meeting dates and Holidays. MOTION CARRIED.

Motion by Goutermont, second Hoff to add Open Skating to agenda.

Open Skating- The Parks and Recreation Board is recommending offering free indoor open skating this season similar to the outdoor rink. Discussion on lack of help, offering an hour for beginner skaters, profits, and advertising. Motion by Goutermont, second Hoff to approve free indoor open skating on Sunday and Wednesday evenings according to the arena schedule. MOTION CARRIED.

It was noted that updated East Lakeview Drive construction pictures are being put the city website. There was discussion on the Outdoor Rink project, work being done by City Staff, VanHouse Construction donation of labor, and Council thanked Councilor Hoff for all his work on the new Outdoor rink project.

Claims – Motion by Hoff, second Goutermont to approve payment of \$90,050.33 in unpaid claims and \$220,106.01 in paid claims. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

Motion by Hoff, second Goutermont to adjourn at 8:36 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson



Wade LeBlanc, Mayor

Attest:



Lana Fralich, City Administrator