

CITY COUNCIL

1:00 P.M.

Thursday, December 21, 2023

Present: Mayor Wade LeBlanc
Dustin Goutermont
Ben Bautch

Excused: Richard DeRosier
Shane Hoff

Lana Fralich, City Administrator
Rick Evans, Northshore Journal
Ron & Barb Bautch
David Moore
Chuckie Knudson
Carolyn Hudyma

Mayor LeBlanc called the meeting to order at 1:00 p.m.

Agenda – Motion by Bautch, second Goutermont to approve the Agenda as presented. **MOTION CARRIED.**

Consent Agenda – Motion by Goutermont, second Bautch to approve the meeting minutes from the December 4, 2023 Regular Meeting and July 2023 Treasurers Report. **MOTION CARRIED.**

Petitions, Requests, and Communications –

Public Comments- None at this time.

Christine Tetzlaff Letter- Council reviewed letter from Christine Tetzlaff regarding her concerns about new roads and tourism.

City Administrator –

Resolution 2023-#90 2024 Final Budget- The Council reviewed and discussed the 2024 Final Budget which includes drawing down on General Fund reserves for the replacement of a fire engine, improvement to the Golf Course for accessibility and equipment. There was discussion on other proposed projects including security cameras, parking lot, and roofing improvements for Mary Mac, potential EDA business and renovation loans, Public Works equipment purchases, street and parking lot improvements, utility replacement and extension projects, wages, benefits, police and fire purchases, police vehicle purchase, and projects that are being worked on but don't impact the 2024 levy. Motion by Bautch second Goutermont to adopt Resolution 2023-#90 and approve the 2024 Fiscal Year Budget as presented for the Revenue amount of \$30,132,400 and the Expenditure amount of \$33,105,880. **MOTION CARRIED.**

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

Member Goutermont – Aye
Member DeRosier – Absent

RESOLUTION 2023 – 90 WAS APPROVED: 3 aye, 0 nay, 2 excused

David Moore questioned how public can obtain a copy of the final budget. Copies are available at City Hall by filling out a Data Practice request form.

Resolution 2023-#91 2024 Final Levy- The Council reviewed the 2024 Final Tax Levy of 6.4%. Motion by Goutermont, second Bautch to accept Resolution 2023-#91 2024 Final Tax Levy for the amount of \$1,673,495. MOTION CARRIED.

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

RESOLUTION 2023 – 91 WAS APPROVED: 3 aye, 0 nay, 2 excused

Resolution 2023-#92 Accept Grant Conditions DNR Grant Agreement- ReLeaf Program- Motion by Goutermont, second Bautch to accept Resolution 2023-#92 for a grant award in the amount of \$136,750 along with grant conditions relating to the DNR ReLeaf Program to conduct an urban forestry management program within the city and replacement of 30 ash trees as part of the grant. MOTION CARRIED.

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

RESOLUTION 2023 – 92 WAS APPROVED: 3 aye, 0 nay, 2 excused

Resolution 2023-#93 Set Public Hearing for Vacation of Library Easement- Motion by Bautch, second Goutermont to accept Resolution 2023-#93 Setting Public Hearing for Vacation of Library Easement at 7:00 p.m February 5, 2024 prior to City Council meeting. MOTION CARRIED.

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

RESOLUTION 2023 –93 WAS APPROVED: 3 aye, 0 nay, 2 excused

Amend IRRR Grant Agreement-Boathouse Bay Grant Term Extension for Private Utilities (700K)- Motion by Goutermont, second Bautch to approve an amended IRRR grant term extension for the private utility portion of Boathouse Bay project to April 7, 2025. MOTION CARRIED.

Amend IRRR Grant Agreement-Boathouse Bay Grant Term Extension for Public Utilities (214K)- Motion by Goutermont, second Bautch to approve an amended IRRR grant term extension for the public utility portion of Boathouse Bay project to April 1, 2025. MOTION CARRIED.

Amend IRRR Grant Agreement- East Lakeview Drive Grant Term Extension (\$250K)- Motion by Bautch, second Goutermont to approve an amended IRRR grant term extension for the East Lakeview Drive project to June 16, 2025. MOTION CARRIED.

Amend IRRR Grant Agreement – Outdoor Drive Improvement Grant Term Extension (\$50K)- Motion by Bautch, second Goutermont to approve an amended IRRR grant term extension for the outdoor drive improvement project to June 30, 2024. MOTION CARRIED.

Beer, Liquor, Wine, Cigarette, & Optional 2AM Liquor License Renewals- The license renewals for 2024 were presented: Zupancich Brothers, Inc – Cigarette License, Bri-Esa's Convenience Store – Cigarette License, Silver Bowl – Retail On-Sale Beer and Liquor License, Northwoods Family Grille – Retail On-Sale Beer and Wine License, Silver Bay Golf Course – Retail On-Sale Beer and Liquor License, and Silver Bay Municipal Lounge – On and Off Sale Liquor and Optional 2AM Liquor License. Motion Goutermont, second Bautch to approve the Beer, Liquor, Wine, Optional 2AM Liquor, and Cigarette License Renewals. MOTION CARRIED

Mary Mac Lease Renewal-Dilly Dally Shop- Council reviewed the updated 2024 lease renewal for the Dilly Dally Shop. The lease has been updated by the City Attorney and recommended by the Mary Mac Committee. Changes to the lease include an initial 1-year lease term, then a month-to-month, with a 3% annual increase beginning of each year, a \$15 late fee for late rents and a 90-day notice to terminate for both parties. The changes are due to the new GASB requirements relating to leases the City is engaged in. Motion by Goutermont, second Bautch to approve the 2024 Dilly Dally Shop updated lease renewal, effective January 1, 2024. MOTION CARRIED.

Mary Mac Lease Renewal-Bay Area Vineyard- Council reviewed the updated 2024 lease renewal for Bay Area Vineyard. The lease has been updated by the City Attorney and recommended by the Mary Mac Committee. Changes to the lease include an initial 1-year lease term, then a month-to-month, with a 3% annual increase beginning of each year, a \$15 late fee for late rents and a 90-day notice to terminate for both parties. The changes are due to the new GASB requirements relating to leases the City is engaged in. Motion by Goutermont, second Bautch to approve the 2024 Bay Area Vineyard updated lease renewal, effective January 1, 2024. MOTION CARRIED.

Mary Mac Lease Renewal- Wildly Organic- This has been tabled until an updated lease renewal is received. MOTION TABLED.

Mary Mac Lease Renewal- Heavy Duty Design- Council reviewed the updated 2024 lease renewal for Heavy Duty Design. The lease has been updated by the City Attorney and recommended by the Mary Mac Committee. Changes to the lease include an initial 1-year lease term, then a month-to-month, with a 3% annual increase beginning of each year, a \$15 late fee for late rents and a 90-day notice to terminate for both parties. The changes are due to the new GASB requirements relating to leases the City is engaged in. Motion by Goutermont, second Bautch to approve the 2024 Heavy Duty Design updated lease renewal, effective January 1, 2024. MOTION CARRIED.

Mary Mac Lease Renewal- Lake County Human Services- This has been tabled until updated lease renewal is received. MOTION TABLED.

Contract Renewal-David Drown, EDA Director and Community Planner- The contract renewal for EDA Director and Community Planner, David Drown, was presented with no changes. Motion by Goutermont, second Bautch to approve the 2024 EDA Director and Community Planner at \$300/month, effective January 1, 2024. MOTION CARRIED.

Contract Renewal- Jones Cleaning Service-Liquor Store, City Hall, and Police- The contract renewal for the City Janitorial Contract with Jones Cleaning Service was presented. Motion by Goutermont, second Bautch to approve the 2024 City Hall/Police/Animal Pound Janitorial Contract with Jones Cleaning Services as presented for a total cost of \$900/month; plus \$250/occurrence for exterior window cleaning; plus \$50/occurrence for sweeping of police garage; plus \$80/occurrence for cleaning of animal pound cleaning when needed. All cleaning in the Police Department must be done with an officer present and the 2024 Liquor Store Janitorial Contract with Jones Cleaning and Building Services

for a total cost of \$1750/month; plus \$250/per occurrence for window cleaning, effective January 1, 2024. MOTION CARRIED.

Reunion Hall Rental Form- Council reviewed the revised rental form for the Reunion Hall to take effect on January 1, 2024. The only change is the elimination of the Flooring Care due to issues with groups not complying with the cleaning rules, leaving options of full cleaning or partial cleaning only. Motion by Bautch, second Goutermont to approve revised rental form to be effective 1/1/2024. MOTION CARRIED.

Contract Renewal- Salveson Floor Cleaning – Reunion Hall- The contract renewal for the Reunion Hall Janitorial Contract with Juel Salveson was presented. Only change made is no longer doing floor care. Motion by Bautch, second Goutermont to approve the 2024 Janitorial Contract with Juel Salveson with the following rates \$450/occurrence for full cleaning services, \$325/occurrence for partial cleaning services, and \$20/occurrence for entry windows, effective January 1, 2024. MOTION CARRIED.

Contract Renewal- Michael Rowlee, Jr- Fire Administrator- The contract renewal for Fire Administrator Michael Rowlee Jr. was presented with no changes. Motion by Bautch, second Goutermont to approve the 2024 Fire Administrator Contract with Mike Rowlee Jr at \$25/hour limited to maximum 10 hours per week, effective January 1, 2024. MOTION CARRIED.

2024 Water, Sewer, and Garbage Rates- The water and sewer rates for 2024 were presented for approval with no changes to the current rates, it should be noted rates have not been changed since 2016. Motion by Goutermont, second Bautch to approve 2024 Water and Sewer Rates to remain at the current rates. MOTION CARRIED.

2024 Campground Rates- The campground rates for 2024 were presented for approval with no changes to the current rates. Motion by Bautch, second Goutermont to accept 2024 Campground Rates. MOTION CARRIED.

2024 Personnel Policy Amendment to Include Earned Sick and Safe Time- Council reviewed the amended Personnel Policy effective January 1, 2024 relating to the new MN Statutes requiring Earned Sick and Safe time for all employees within the City. Changes have been forwarded to both unions and are in agreement. Motion by Goutermont, second Bautch to approve. MOTION CARRIED.

2024 Personnel Wages- The Council reviewed the 2024 employment wages; it was noted that the part-time police officer wage was incorrect and would be corrected. There was also discussion that the rates are the base rates for the position and that individual wages may be different based on past approvals or longevity and licensure changes. Motion by Goutermont, second Bautch to approve 2024 Employment Wages with corrected part-time police officer wage. MOTION CARRIED.

Administrator Employment Agreement Amendment- Council reviewed the amended Administrator Employment agreement, with changes made to section 5.04 and Section 5.02, increasing the cash-in-lieu payment from 50% to 60% of health and dental insurance only. Motion by Goutermont, second Bautch to approve the change in the Cash-in-Lieu payment. MOTION CARRIED.

Storybook Theatre- The Parks and Recreation Board is recommending moving forward with Storybook Theatre for the production of Rapunzel. Storybook Theatre is replacing the previous Prairie Fire Theatre program and will credit their costs by \$500 for the downpayment the City previously made

to Prairie Fire Theater. The program will be August 4th-11th, 2024. Motion by Goutermont, second Bautch to move forward with Storybook Theatre. MOTION CARRIED.

Library Clerk Technician Hiring- The Personnel Committee is recommending the hiring of Tracy Thun as Library Clerk Technician. Motion by Goutermont, second Hoff to hire Tracy Thun as Library Clerk Technician with a starting date of January 2, 2024 at the 2024 PT Library Technician rate of \$20.07 and a 1- year probation period. MOTION CARRIED.

City Attorney – Nothing at this time.

OLD BUSINESS – None at this time.

NEW BUSINESS –

EDA Renewal-Nelson French- Motion by Bautch, second Goutermont to approve the renewal application from Nelson French to serve on the Economic Development Authority Board. MOTION CARRIED.

Housing Incentive Program- 4961 Rockwood Rd- Council previously approved a New Housing Grant program, providing up to 15% cash payment of new home's assessed market value. David Drown reports that Jesse and Jessica Wartman have completed their new construction home, located at 4961 Rockwood Road and received their Certificate of Occupancy. The County assessor valued the completed home at \$621,329 and Drown is requesting the city pay the incentive total of \$93,199.35. Motion by Bautch, second Goutermont to approve payment of \$93,199.35. MOTION CARRIED.

David Moore asked for clarification of the program, which it was noted that it was a pilot program and no longer offered. Carolyn Hudyma asked if there was a cap on reimbursement, which there was not one. Chuckie Knudson questioned if home was within the fire response area, which the home is within the city limits.

2023 Year in Review- - Council reviewed the 2023 Year-end review that highlighted various projects and activities performed by the City during the year, providing thanks to the citizens, businesses, volunteers and those volunteers that serve on Elections, Boards and Commissions, City Attorney, City Engineer, City Economic Developer, and city staff. The review identified key highlights such as the start of construction on East Lakeview Drive, final approval of the Boathouse Bay Project, secured funding for the Multi-Modal Trailhead Center, new construction housing incentive pilot program, downtown vision planning, Golf Course Housing development plans, new outdoor rink, city-wide street improvement plan, housing, new street proposal, master sign plan adoption, and many other programs and improvements. Mayor LeBlanc expressed his thanks to the public for attending and their interest in the city.

Carolyn Hudyma asked if there will be copies available to the public, which will be available on the City website. Carolyn also asked how many employees the city employs, Fralich stated approximately 60-80 depending on time of year.

Barb Bautch asked if the pharmacy lease is also renewed and for clarification regarding rumors that Mary Mac will be torn down. Administrator Fralich advised that the pharmacy lease had been previously renewed and that there are no immediate plans for the Mary Mac to be torn down.

Claims – Motion by Bautch, second Goutermont to approve payment of \$171,069.15 in unpaid claims and \$330,809.89 in paid claims. MOTION CARRIED.

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

Member Goutermont – Aye
Member DeRosier – Absent

Motion by Goutermont, second Bautch to adjourn at 1:48 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson

Attest:



Wade LeBlanc, Mayor



Lana Fralich, City Administrator