

## CITY COUNCIL

7:00 P.M.

Monday, April 1, 2024

**Present:** Mayor Wade LeBlanc  
Richard DeRosier  
Dustin Goutermont  
Shane Hoff

**Absent:** Ben Bautch

Lana Fralich, City Administrator  
Tim Costley, City Attorney  
Rick Evans, Northshore Journal  
Andrew Grice, BerganKDV, via ZOOM, left at 7:20 pm  
Dave Linder, Nor-Son Construction  
Lester Bock, Nor-Son Construction  
Shannon Walz, Library Director  
Cole Ernest, Chief of Police  
Carolyn Hudyma  
April Siekmeier  
Kristin Andreoli, TOAST, via ZOOM, left at 7:10 pm

Scott Whittemore, Nor-Son Construction  
Eric Wedge, DSGW, via ZOOM, left at 7:30 pm  
Micaiah Schubert, SB Police Dept  
Noreen Carlson  
Mike Guzzo

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

**Agenda** – Motion by DeRosier, second Goutermont to approve the Agenda with following changes; moving Resolution 2024-#19 Approve Contract with TOAST above 2024 Audit Presentation, addition of Neighborhood Revitalization Mini Grant Advertisement, PT Bartender Hiring, Resolution 2024-#20 Golf Course Improvements, and Resolution 2024-#21 Purchase and Repayment Agreement with Silver Bay Golf Course. MOTION CARRIED.

**Consent Agenda** – Motion by Hoff, second Goutermont to approve the meeting minutes from the March 18, 2024 Regular Meeting and December 2023 Treasurer's Report. MOTION CARRIED.

**Petitions, Requests, and Communications** –

**Public Comments-** None at this time.

**City Administrator** –

**Resolution 2024-#19 Approve Contract with TOAST for New Point of Sale (POS) System for both On and Off Sale of the Silver Bay Municipal Liquor Store.** The Liquor Control Commission is recommending approval of a new Point of Sale (POS) system for the Municipal Liquor Store. The current system is very antiquated and having multiple issues. Council reviewed a proposal from TOAST. The cost for both off-sale and on-sale operations and training, including one-time set up costs of \$1608.60 for off-sale and \$3,686.90 for on-sale for a total of \$5,295.50. The annual software recurring total for off-sale is \$210 per month and annual recurring total for on-sale is \$300 monthly for a total \$510 annual recurring monthly fee. Kristin Andreoli from TOAST provided information regarding the new system allowing for better accountability and tracking of sales, inventory, tips, drink chips and gift cards. Motion by Hoff, second Goutermont to adopt Resolution 2024-#19 Approving a Contract with TOAST for a New Point of Sale (POS) System for both On and Off Sale of the Silver

Bay Municipal Liquor Store at a total set up cost of \$5,295.50 and annual monthly cost of \$510.  
MOTION CARRIED.

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

RESOLUTION 2024 – 19 WAS APPROVED: 4 aye, 0 nay, 1 excused

**2024 Audit Presentation by Creative Planning – BerganKDV-** Andrew Grice presented the 2023 year-end audit of financial statement and communications letter prepared by Bergan-KDV. The City received a clear and unqualified opinion from an independent auditor, which is the highest rating it can achieve. There was discussion on the Financial Health of the City, Net Income, Expenses, and Cash Investment. The Council reviewed the audit and thanked the administrative staff and department heads for their work on the audit and budget. Consensus of Council to accept 2023 audit.

**Resolution 2024-#15 Approve Contract with Jamar through Sourcewell for HVAC System at Reunion Hall.** Council previously reviewed and approved moving forward with a proposal from Jamar, through Sourcewell, to add five heating/cooling units along with ventilation/circulation to the Reunion Hall. The proposal was reviewed by Gordian for Sourcewell compliance. Motion by Goutermont, second DeRosier to adopt Resolution 2024-#15 to Approve a Contract with Jamar, through Sourcewell, for an HVAC System upgrade at the Reunion Hall at a cost of \$114,285 and to use the remaining ARPA funds of \$101,491.61, that are set to expire March 31, 2024, for this project and remaining \$12,793,39 paid by General Funds retroactive to March 4, 2024. MOTION CARRIED.

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

RESOLUTION 2024 – 15 WAS APPROVED: 4 aye, 0 nay, 1 absent

**Resolution 2024-#16 Approve Contract with Stertil-Koni through Sourcewell for Equipment Lift at Street Department.** Council reviewed final contract with Stertil-Koni through Sourcewell for the Equipment Lift and electrical contract to be completed by Silver Creek Electric for a total project cost of \$\$216,728.63. Motion by Hoff, second Goutermont to adopt Resolution 2024-#16 to approve contract with Stertil-Koni for Equipment Lift for the Street Department. MOTION CARRIED.

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

RESOLUTION 2024 – 16 WAS APPROVED: 4 aye, 0 nay, 1 absent

**Resolution 2024-#17 Approve a MN Rural Water General Obligation Equipment Certificate (Series 2024A) for the Financing of the Stertil-Koni Equipment Lift.** Council reviewed the Micro-Loan drafted by Bond Attorney, Fryberger & Buchanen for the new Steril-Koni lift at the Street Department. The loan amount includes the project cost of \$216,728.63 plus the deposit to the debt service fund, as required by state statute, in the amount of \$8,721.37 to insure first payment in February 2025 is met. Plus, there is the \$5,550 loan fee for the servicing of the loan and set up of the tax documents for the General Obligation loan. The loan is a 10-year loan at a rate of 4.625%, with

the ability to repay the loan after the initial 5-year period. Motion by DeRosier, second Hoff to adopt Resolution 2024-#17 Approve a MN Rural Water General Obligation Equipment Certification (Series 2024A) for the Financing of the Steril-Koni Equipment Lift. MOTION CARRIED.

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

Member Goutermont – Aye  
Member DeRosier – Aye

RESOLUTION 2024 – 17 WAS APPROVED: 4 aye, 0 nay, 1 absent

**Resolution 2024-#18 Approve a MN Rural Water Association Reimbursement Resolution for Equipment Purchases.** Council reviewed the declaration of intent for the city to reimburse certain expenditures from the proceeds of bonds to potentially be issued by allowing the city to recoup funds relating to the cost of purchasing the Plow Truck, Police Vehicle, Golf Course Equipment, if needed later this year. The Resolution protects the city's option to accept a bond later in the year if needed and there is no obligation. Motion by Hoff, second DeRosier to adopt Resolution 2024-#18 Approve a MN Rural Water Association Reimbursement Resolution for Equipment Purchases. MOTION CARRIED.

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

Member Goutermont – Aye  
Member DeRosier – Aye

RESOLUTION 2024 – 18 WAS APPROVED: 4 aye, 0 nay, 1 absent

**Library Construction Project through Sourcewell-** Council reviewed the one bid that was received during the solicitation of bids through Sourcewell from Nor-Son Construction LLC from Baxter, MN with a base bid amount of \$1,194,062 plus Alternate #1 for new LED Lighting at a cost of \$12,152, and accepting Alternate #2 replacement of windows at a cost of \$20,291 for a total bid amount of \$1,226,505. Adding in architect, engineering, surveying, and construction contingency, the total cost of the project is \$1,395,102,25. There has been \$1,090,041.50 secured in grants, creating a project shortfall of \$305,060.73 with includes a \$61,325.25 contingency which wouldn't be needed if project goes well which would lower the amount of the City's investment. City intends to seek additional funding, but there are no guarantees so the City would need to commit to the entire shortfall. Furthermore, the City would use General Fund reserves as an internal loan with plans to repay those funds through an increase in the Library Levy. Shannon Walz, Library Director, Scott Whittemore, Dave Linder, Lester Bock of Nor-Son Construction, LLC and Eric Wedge, DSGW were present at meeting to answer any questions. Library Board is recommending moving forward with the project and invest in the shortfall. Motion by Goutermont, second Hoff to move forward with project, submit bid received from Nor-Son Construction to Gordian for final review and develop a repayment agreement, for the April 15<sup>th</sup> City Council meeting. MOTION CARRIED.

**Set Public Hearing Relating to Lenslock Body Cameras for Silver Bay Police Department-** The Chief of Police, Cole Ernest, is requesting the Council set a public hearing, as required by state statutes, to accept comments regarding implementing body worn cameras, which is similar to Lake County. Council reviewed the information from Lenslock, with the initial cost being \$9000 to be paid with allocated public safety funds received. There is an annual subscription cost of the same amount for the cameras. Information on Lenslock and the department policy will be posted on the City website

and available for review. Motion by DeRosier, second Goutermont to set public hearing at 7:00 p.m. April 15<sup>th</sup> prior to regular City Council meeting. MOTION CARRIED.

**Access Agreement with Northshore Mining for Multi-Modal Trailhead Center-** Motion by Goutermont, second Hoff to accept Access Agreement with Northshore Mining for the Multi-Modal Trailhead Center for the purpose of dropping trees by the March 31, 2024 deadline associated with regulations relating to the Northern Long-eared bat roosting season retroactive to March 26, 2024. MOTION CARRIED.

**MN ATV Ride the Shore License Agreement-** Council reviewed the lease agreement for the MN ATV Association to conduct the annual "Ride the Shore" for the weekend of June 28<sup>th</sup> – 30, 2024. Discussion regarding allowing alcohol and insurance requirements. MN ATV Association requested not allowing liquor on agreement due to high costs of insurance and MN ATV Association wanting to promote responsible ATV driving. A portion of the proceeds are donated to the Silver Bay Veteran's Home. Motion by DeRosier, second Hoff to accept lease agreement. MOTION CARRIED.

**Neighborhood Revitalization Mini Grant Advertisement-** Motion Hoff, second Goutermont to advertise for the Neighborhood Revitalization program, which provides a \$500 grant for homeowners and businesses to improve the exterior of their properties and to begin accepting applications on May 1, 2024 on a first-come first-served basis, with priority given to those who have not received a grant in the past. MOTION CARRIED.

**PT Bartender Hiring-** Motion by DeRosier, second Hoff to hire Alex Truax as part-time bartender with starting wage of \$16.60/hour which is 80% of the full part-time bartender wage, pending successful completion of background, with an effective date determined by Liquor Store Manager. MOTION CARRIED.

**Resolution 2024-#20 Golf Course Improvements-** Council reviewed 2024 Golf Course improvements as approved in the budget which include installing a new ADA compliant ramp, deck area, and new entry steps. The Golf Course sent out an RFP to four different contractors and received one response. The bid from Roger Peterson was reviewed along with a quote from Sinnott for a hard surface for golf carts. Budgeted cost is \$55,200, cost for both projects are \$5,416.34 over the budgeted amount. To stay on budget the Golf Course is requesting assistance from the City on the gravel and labor costs for the sub base which would save \$5000 with the shortfall coming from the Golf Course Club. Motion by Goutermont, second Hoff to adopt Resolution 2024-#20 Golf Course Improvements with reimbursement of \$55,200 of costs to the Silver Bay Golf Course for improvements made to the City's asset. MOTION CARRIED with Mayor LeBlanc Abstaining.

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

Member Goutermont – Aye  
Member DeRosier – Aye

RESOLUTION 2024 – 20 WAS APPROVED: 3 aye, 0 nay, 1 absent, 1 abstain

**Resolution 2024-#21 Purchase and Repayment Agreement with the Silver Bay Golf Course Club for the Purchase of a Preowned Toro Proforce Blower, a Preowned Toro MultiPro 1250 Sprayer, and a Preowned John Deere 5075M Tractor.** The Golf Course Superintendent and Silver Bay Golf Course Club is recommending purchasing a preowned Toro Proforce blower, a preowned Toro MultiPro 1250 sprayer, and a preowned John Deere 5075M tractor at a cost of \$57,000, which the 2024 approved budget included \$55,000 for equipment. As done in the past, the City will pay for

the equipment and the Golf Course Club with reimburse the city annually for the next 5 years. The City contributes \$5000 annually, therefore, the total reimbursement by the Golf Course Club will be \$32,000. Motion by Goutermont, second Hoff to adopt Resolution 2024-#21 Purchase and Repayment Agreement with the Silver Bay Golf Course Club for the Purchase of a Preowned Toro Proforce Blower, a Preowned Toro MultiPro 1250 Sprayer, and a Preowned John Deer 5075M Tractor. MOTION CARRIED with Mayor LeBlanc abstaining.

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

Member Goutermont – Aye  
Member DeRosier – Aye

RESOLUTION 2024 – 21 WAS APPROVED: 3 aye, 0 nay, 1 absent, 1 abstain

City Attorney –

**Proposal to Amend Contract-** Council reviewed a proposal from City Attorney Costley requesting to amend his monthly retainer amount from \$3500 per month to \$5000 per month. There was discussion on the positive work done by the City Attorney and that the amount has not been increased since 2010. Motion by DeRosier, second Hoff to amend monthly retainer to \$5000 beginning April 1, 2024. MOTION CARRIED.

OLD BUSINESS – None at this time.

NEW BUSINESS –

**East Lake Clinic District’s Silver Bay Representative-** Shelley Fredrickson submitted her resignation from serving as the Silver Bay Representative on the East Lake Clinic District Board. Motion by DeRosier, second Hoff to accept resignation with regrets. MOTION CARRIED. There was discussion interest on replacing this Board position, with Mayor LeBlanc expressing interest as he had past experience serving on the Lake County Hospital Board of Directors. Motion by Hoff, second DeRosier to appoint Mayor LeBlanc to the East Lake Clinic District Board. MOTION CARRIED with Mayor LeBlanc abstaining.

**Claims** – Motion by Goutermont, second Hoff to approve payment of \$366,991.07 in paid claims and \$88,786.14 in unpaid claims. MOTION CARRIED

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

Member Goutermont – Aye  
Member DeRosier – Aye

Motion by DeRosier, second Hoff to adjourn at 7:56 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson



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Wade LeBlanc, Mayor

Attest:



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Lana Fralich, City Administrator