

CITY COUNCIL

7:00 P.M.

Monday, March 17, 2025

Present: Mayor Wade LeBlanc
Richard DeRosier
Shane Hoff
James FitzGerald

Excused: Ben Bautch

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| Lana Fralich, City Administrator | |
| Tim Costley, City Attorney | |
| Josh Stier, City Engineer Bolton & Menk via ZOOM | |
| Kitty Mayo, Lake County Press via ZOOM | |
| Rick Evans, Northshore Journal | |
| Joe Muzljakovich, Kraus Anderson | Pete Auvinen, Kraus Anderson |
| Steve & Cheryl Marolt | Carolyn Hudyma |
| Erica Jensen | Wendy Jensen |
| Marcia Oates | Alex Burcum |
| John Anderson, Sawtooth 16, LLC | June Talus |
| Janey Knaffla via ZOOM | Riley Hovland via ZOOM |
| Duluth Monitor via ZOOM | |

Mayor LeBlanc called the for Public Comments regarding proposed Special Assessment Policy meeting to order at 7:00 p.m.

Public Comments Regarding Proposed Special Assessment Policy- Mayor LeBlanc called for public comments.

Carolyn Hudyma asked if the advertisements in paper could be bigger.

June Talus thanked staff for posting meetings on the Community sign.

Mayor LeBlanc called for public comments.

Mayor LeBlanc called again for public comments, hearing none he closed public comment meeting at 7:04 p.m.

Mayor LeBlanc called the regular City Council meeting to order at 7:05 p.m.

Agenda – Motion by FitzGerald, second DeRosier to approve agenda as presented. **MOTION CARRIED.**

Consent Agenda –

March 3, 2025 Regular Hearing Minutes

Treasurer's Report- December 2024

MN Municipal Beverage Association Annual Conference- Tonja Fultz- Tonja Fultz attendance at the MN Municipal Beverage Association annual conference April 26-29th in Alexandria, MN at a cost of \$769.00, which includes hotel and meals.

Neighborhood Revitalization Grant Program & Advertisement- The reimbursement of up to \$500 grant program will begin May 2, 2025. It was noted last year's Neighborhood Revitalization grant program provided 42 grants with a total of \$17,368.05 (\$8,648.03 paid by Lake County and \$8,648.03 paid by City of Silver Bay) resulting in \$102,424.42 in improvements within the city.

Summer Employment Advertising

MN DOT ADA Construction Recertification Online Course-Corey Cook- Corey Cook participate in an online MN DOT ADA Construction Recertification training at a cost of \$75.00.

Letter of Support for ATVMN for Annual Ride & Rally Event 2025

Motion by DeRosier, second FitzGerald to approve the consent agenda items. MOTION CARRIED.

Petitions, Requests, and Communications –

Public Comments- Carolyn Hudyma questioned the TIF Draw request #5 cash required by city notation in the sources and uses portion. City Administrator Fralich explained the \$282,184.50 required by city was part of the sources and uses in the approved documents and is intended for the public portion of utilities and cover costs for the lift station, with funds paid from water/sewer fund.

Erica Jensen-Lake Co. Recycle Day- Erica Jensen provided an update on the Lake County Recycle day which will be held 8:00 a.m. – 12:00 p.m. on May 3rd at the Silver Bay airport. She noted this was a recycling event for e-waste, mattresses, tires, appliances. Lake County will have a complete list of accepted items in the Northshore Journal. North Shore Area Partners is working to offer vouchers for senior citizens (65 and older) who have hardship, have volunteers for in home pickup for seniors who are unable to attend recycle event, and looking for additional volunteers. Member Hoff suggested reaching out to football coach to see if team would be interested in helping with heavier items. John Anderson has offered the use of skid steer. Discussion regarding fees charged and accepted items. Lake County will hold household hazardous waste event in May for hazardous materials not accepted at the May 3rd event. The License agreement will be presented to Council at the April 7th meeting.

Mayor/Council Communication- Mayor LeBlanc participated in the St Urho's Day parade in Finland along with Lake County Commissioner Joe Baltich of Ely and Rep. Roger Skraba.

Mayor's Attendance for Washington D.C. Forum with MN Rural Water- The Mayor has been invited to attend a forum in Washington D.C., April 9th-11th, to share the city's experience with MN Rural Water during the recent water breaks and the importance that MN Rural Water serves to small communities in MN. The trip is fully paid for by MN Rural Water. Motion by DeRosier, second Hoff for Mayor LeBlanc attendance at the forum in Washington D.C. MOTION CARRIED.

RAMS Letter of Support for Mike Jugovich's Appointment to LCCMR- Motion by Hoff, second DeRosier that Mayor LeBlanc sign letter of support for Mike Jugovich to serve on the LCCMR board. It was noted how important it is to have a representative from Northern MN on the LCCMR board. MOTION CARRIED.

City Administrator –

Resolution 2025- #25 Special Assessment Policy- Josh Stier, City Engineer, provided a brief updated on the Special Assessment policy. The policy is simplified, yet fair and equitable for the residents of Silver Bay. Each residential property owner will pay the same assessment when property is assessed, multi-family homes and businesses will pay slightly higher based on assessed size. Total assessment cost is unknown until bids are received, property owners have the option of paying in full or add to property taxes for 15 years. Public comments were taken prior to meeting, with none received. Motion by DeRosier, second FitzGerald to adopt Resolution 2025-#25 Special Assessment Policy. **MOTION CARRIED.**

Mayor LeBlanc – Aye

Member Bautch – Absent

Member Hoff – Aye

Member FitzGerald – Aye

Member DeRosier – Aye

RESOLUTION 2025 – 25 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Resolution 2025- #26 Library Emergency Lighting Change Order- Council reviewed change order request needed due to electrical plans not including the proper emergency lighting in the multi-purpose room at a cost of \$925. DSGW will reimburse the City \$200 to offset a portion of the cost. Motion by DeRosier, second FitzGerald to adopt Resolution 2025-#26 Library Emergency Lighting Change Order with additional cost of \$925.00, and revised total contact cost of \$1,230,723.00. **MOTION CARRIED.**

Mayor LeBlanc – Aye

Member Bautch – Absent

Member Hoff – Aye

Member FitzGerald – Aye

Member DeRosier – Aye

RESOLUTION 2025 – 26 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Resolution 2025- #27 MN DNR Outdoor Rec Grant Application for Multi-Modal Trailhead Center- Council previously approved Bolton & Menk submitting an application to MN DNR for additional funding for trailhead center, a resolution is required. Josh Stier, City Engineer stated the grant request is a 1 to 1 match of \$230,000 and will be used for bike racks, shelters, playground, ADA walkway, and design engineering as needed. Motion by Hoff, second DeRosier to adopt Resolution 2025-#27 MN DNR Outdoor Rec Grant Application for Multi-Modal Trailhead Center applying for funding from MN DNR for trailhead project. **MOTION CARRIED.**

Mayor LeBlanc – Aye

Member Bautch – Absent

Member Hoff – Aye

Member FitzGerald – Aye

Member DeRosier – Aye

RESOLUTION 2025 – 27 WAS ADOPTED: 4 aye, 0 nay, 1 excused

Multi-Modal Trailhead Center Final Design Plan- The Parks & Rec Board is recommending moving forward with final plans for the Multi-Modal Trailhead Center. Pete Auvinen and Joe Muzljakovich of Kraus- Anderson presented the multi-modal trailhead center project update. Project budget was higher than expected at over \$8M, Council reviewed changes made to building and grounds to reduce expenses while maintaining needs and to stay within the budget. Discussion regarding secured funding of just under \$5.4 million, with \$400,000 pending from DNR due to their error, site development expenses of \$2.3 million, building expenses of \$1.8 million, and indirect owner expense

of \$1.3 million. Further discussion regarding timeline, project scope to meet various funding requirements, additional cuts if needed, bidding items as alternates, the need to get through final design to bid in April, and having contract in place by June 30, 2025 per funding requirement. Discussion followed regarding bidding items as alternates, preparing options if DNR funding is not approved, and applying for additional funding. Councilor DeRosier noted concerns for original design not being within budget, removing the exterior stairs, and changes from original plans. Wendy Jensen asked how trailers and big semis would be able to turn around, Josh Stier explained there are ways to determine the movement of big trucks and will be incorporated into final design. Carolyn Hudyma questioned pedestrian safety. Cheryl Marolt asked for clarification regarding pavement requirements. Discussion followed regarding pavement materials, thickness, base and MN Dot guidelines. Alex Burcum asked if there was a study done to confirm there are adequate number of parking spaces. Motion by Hoff, second FitzGerald to move forward with final design. Member DeRosier asked that cost of stairs alongside of building be determined. MOTION CARRIED.

Northland Construction Change Order Request- The bank and title company that is overseeing the Boathouse Bay project has requested an update be made to the Northland Contract to account for changes listed on the source and uses, which includes the adjustment for the sanitary sewer plugs. The change order has been reviewed by City Engineer who has found it to be acceptable with a net wash for cost to the city. Motion by DeRosier, second Hoff to approve change order request. MOTION CARRIED.

Boathouse Bay TIF Draw #5- Council reviewed the sources and use statement for the actual draws #1-#4 and the new draw #5 request, which is through 12/31/2024. Motion by DeRosier, second FitzGerald to approve the updated sources and use statement for draws and approve draw request #5. MOTION CARRIED.

Memorandum of Understanding with William Kelley School for the Senior Workshop- Council reviewed the MOU with William Kelley School for the relocation of the Senior Workshop. City has no liability and will provide financial support if needed for replacement of equipment. City Attorney has reviewed. Motion by Hoff, second DeRosier to accept. MOTION CARRIED.

Congressional Direct Spending Applications- City Administrator Fralich has submitted two applications for Congressional Direct Spending assistance to Congressman Stauber. The first requests an additional \$8.2 million for the Water Treatment Facility and Booster station project, the second request is for \$3 million to help aid in improvements needed at the Mary MacDonald Center. These applications were due by March 14th. Fralich will submit same applications to Senator Klobuchar's office prior to the March 31st deadline.

City Attorney – Nothing at this time.

OLD BUSINESS –

Perimeter Ditch- Mayor LeBlanc asked if the City Attorney could draft a temporary access and easement agreement, which holds the city harmless, in order for the city to access property to help clear ditches in order to improve the water issues that are happening on Adams Boulevard, while the Council works on the long term solution that was discussed at a previous meeting. There was discussion that all property owners and homeowners must agree before the city could begin clearing. It was noted that water pools at the end of Adams which could create a safety issue. Motion by

DeRosier, second Fitzgerald to have City Attorney draft the temporary access and easement, holding the city harmless, agreement and send to property owners once completed. MOTION CARRIED.

NEW BUSINESS – None at this time.

Claims – Motion by DeRosier, second FitzGerald to approve payment of \$127,809.12 in unpaid claims and \$476,842.96 in paid claims. MOTION CARRIED.

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

Member FitzGerald - Aye
Member DeRosier – Aye

Motion by Hoff, second FitzGerald to adjourn at 8:10 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson

Attest:

Wade LeBlanc, Mayor

Lana Fralich, City Administrator