MINUTES
Silver Lake City Council
Regular Meeting
April 20, 2015

Mayor Bruce Bebo called the meeting to order at 6:30 pm.

Members present: Mayor Bruce Bebo, Councilors Nolan Johnson, Joshua Mason, and Ken Merrill

Absent: Greg Gillett

Others present: Kerry Venier, Clerk; Dale Kosek, PW Supervisor; Darrell Luthens; Karin Cornwell, Chronicle

*A motion was made by Councilor Mason seconded by Councilor Merrill to approve the agenda.
Vote for: Unanimous
Motion carried.*

Consent Agenda:

1. Approve minutes of the April 6, 2015 Regular meeting.
2. Approve payroll #8 & March Amb
3. Claims to be paid: $18,322.77 (4/2/15)
 $ 7,440.99 (4/20/15)
 $66,584.59 (4/16/15)

*A motion was made by Councilor Merrill seconded by Councilor Johnson to approve the Consent Agenda.
Vote for: Unanimous
Motion carried.*

New Business:

1. Councilors reviewed a resolution approving Property/Casualty Insurance Premiums. Clerk Venier reported that the premium for 2015 was $30,509 and the City had budgeted $33,375. Councilor Merrill ask that the City look in to other liability options available through LMCIT such as No-Fault Sewer Backup coverage.

*A motion was made by Councilor Johnson seconded by Councilor Mason to approve Resolution 15-04 approving Property/Casualty Insurance Premiums.
Vote for: Unanimous
Motion carried.*
2. Councilors reviewed a proposal to trade in/purchase a new lawn mower. Clerk Venier explained that John Deere and L&P Supply offered a higher trade in value for the current mower if the City traded it in annually and that the City had been participating in the program for the past ten years and it has worked very well.

*A motion was made by Councilor Johnson seconded by Councilor Merrill to approve Resolution approving the trade in/purchase of a John Deere lawn tractor from L&P Supply Co.
Vote for: Unanimous
Motion carried.*
3. Clerk Venier presented a resolution approving the appointment of individuals for the Summer Rec and Aquatic center and explained that all of the positions are seasonal.

*A motion was made by Councilor Merrill seconded by Councilor Mason to approve Resolution 15-06 appointing part time seasonal employees.
Vote for: Unanimous
Motion carried.*
4. Councilors heard a request to purchase windows for the Auditorium. Clerk Venier reported that $3,600 has been donated and an additional $1,800 has been pledged to replace windows in the Auditorium and the proposal to purchase and 22 windows is $4,338.75 from Fullerton Building Center and staff estimates a cost of $1,100 to install and finish the windows. Mayor Bebo asked why they wanted to order more window than money has been donated for. Clerk Venier responded that the order would cover all windows on the lower level of the north, south, and east sides of the building, the sides that are most visible and donations’ continue to be solicited.

*A motion was made by Councilor Johnson seconded by Councilor Merrill to approve Resolution 15-11 approving the purchase of windows for the Silver Lake Auditorium.
Vote for: Unanimous
Motion carried.*

Department Reports:

1. Liquor Store: Councilor Johnson reported the following:
	1. Reported that sales for March were $40,062 down $3,237 from the prior year, and profit was $4,156 for the month.
	2. Discussed installation of a patio for patrons; Councilor Johnson will continue to work with MLS Manager to work out concerns.
2. Public Safety: Clerk Venier reported the following:
	1. Reviewed progress with bringing the Villager into compliance with the state fire code. Councilors discussed setting a formal deadline for compliance.
	*A motion was made by Councilor Mason seconded by Councilor Merrill to give the Owners of the Villager Apartments at 104 Grove Ave SW to bring the building in compliance with the MN State Fire and Building Codes by May 1, 2015.
	Vote for: Unanimous
	Motion carried.*
	2. The department reported they are working on alleviating some blighting issues within the City.
	3. Bike Rodeo for area youth is May 2nd at 10:00 AM.
	4. Chief Henriksen will be attending training from 4/20-4/22.
	5. Reviewed call activity.
3. Public Works: Councilor Mason and Public Works Supv. Kosek reported the following:
	1. After further investigation no tile line was found running behind homes near 220 Main St E or in the alley near Grove Ave and Main St.
	2. A Storm Sewer sink hole was found to be a result of the repairs made last year and was repaired by the contractor.
	3. Patching of City streets was completed by Mueller’s. They were used for the larger spots that needed repair the smaller ones will be done by staff.
	4. Hydrant flushing will be done in the coming weeks; PW staff will run a notice prior to flushing.
	5. Pool prep has begun.
4. Community Development: Councilor Merrill reviewed the following:
	1. The planning commission met and completed compilation of the results of the City Wide survey. Members of the Planning Commission will attend the next Council meeting to discuss ideas and recommendations.
	2. Reported that the Planning Commission has a vacancy to fill.
	3. A Tree Education Seminar is being presented for the public on April 23 at 6:00 pm by Shelby Gamache of Green Corps.
	4. The Summer Rec program is organized and has held its initial sign up.
5. Administration: Clerk Venier reviewed the following:
	1. Paul Harvego of CDS reported on the annual audit of the City Finances.
		1. The City’s net position increased by $38,205.
		2. All governmental funds combined ending fund balances were $890,211 at the end of 2014.
		3. The unassigned fund balance for the General Fund was $387,825. Mr. Harvego noted that this fund balance is 56% of the General Fund expenditures, and the State Auditor recommends that Cities have a reserve balance equal to 40-50% of its General Fund expenditures.
		4. Harvego also noted that the Ambulance and Fire Fund balances were sufficient to maintain their operations but noted that the transfers and township contributions are needed to operate the funds. The Water Fund saw a decrease in fund balance which was due to the payment of the Water Meter replacement project. The Sewer Fund saw an increase in fund balance. Mr. Harvego recommended that the Council consider doing incremental increases in the usage rates for these funds as they are currently very low and would not be able to sustain and major improvements to infrastructure if needed.
		5. The Municipal Liquor Store saw a significant increase in its fund balance from $67,373 in 2013 to $127,324 in 2015.
		6. Harvego noted that the City has two material weaknesses in Internal Control, but also reported that they were areas the City didn’t have the resources to avoid them (Limited Segregation of Duties & Auditor prepared Financial Statements).
		7. Overall Harvego commended the Council and City staff for their dilignence in putting the City’s finances in a positive position.
	2. Reviewed the March Treasurer’s report.
	3. *A motion was made by Councilor Johnson seconded by Councilor Mason to approve Resolution 15-09 classifying fund balances for the financial reporting purposes.
	Vote for: Unanimous
	Motion carried.*
	4. *A motion was made by Councilor Johnson seconded by Councilor Merrill to approve Resolution 15-08 declaring City Council members as employees of the City.
	Vote for: Unanimous
	Motion carried.*
	5. *A motion was made by Councilor Johnson seconded by Councilor Mason to approve Resolution 15-07 pre-authorizing payments by Clerk’s warrant(s).
	Vote for: Unanimous
	Motion carried.*
	6. Councilors reviewed the Cable Franchise agreement with Mediacom. Clerk Venier noted the portions that the City Attorney recommended adding or altering.
	*A motion was made by Councilor Johnson seconded by Councilor Merrill to approve Resolution 15-11 approving the Cable Franchise Agreement with Mediacom.
	Vote for: Unanimous.
	Motion carried.*
	7. Reviewed a proposal for a Compensation Program Review submitted by Keystone Compensation Group. Clerk Venier reported that no monies were budgeted for the study but he wanted to present it for Council consideration so it could be included in the budget for 2016.

Open Discussion:

1. Reviewed a beer license application for 6/27/15.
*A motion was made by Councilor Merrill seconded by Councilor Mason to approve a one-day 3.2 Beer On-Sale permit for the SLFD Relief Association.
Vote for: Unanimous
Motion carried.*
2. Mr. Ron Yurek approached the Council on behalf of the American Legion Post 141 to request that the City assess recent sewer repairs done by Juul Contracting against the property taxes of the American Legion Post 141 at 241 Main St W. The cost of the repairs was $4,473.10. Clerk Venier reviewed the City’s policy on special assessments for water/sewer repairs and reported that the City would assess the amount over up to five years with an interest rate of 1% over the current prime rate. Mr. Yurek reported that the Legion members had voted to request this solution to pay for the repairs.

*A motion was made by Councilor Johnson seconded by Councilor Mason to approve payment of $4,473.10 to Juul Contracting for repairs made at 241 Main St W and to assess $4,473.10, as per City Assessment Policy, with interest to the property taxes of the American Legion Post 141 at 241 Main St W.
Vote for: Unanimous
Motion carried.*
3. Mayor Bebo informed Councilors that the winning bidder for the Lease of City land was Gary Mallak at a rate of $253/acre.
4. Councilor Merrill encouraged any Councilors or staff to consider attending the League of MN Cities Annual Conference June 24-26 in Duluth. Councilor Merrill reported that from his experience it is a valuable event for individuals.
5. Clerk Venier reported that Department Heads have been asked to develop a five year Capital Improvement Plan and asked Councilors to discuss this plan with them as they meet to begin budget discussions.

*A motion was made by Councilor Johnson seconded by Councilor Merrill to adjourn this regular meeting of the City of Silver City Council.
Vote for: Unanimous
Motion carried; meeting adjourned at 9:20pm.*

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Kerry Venier, Clerk/Treasurer