Minutes  
Silver Lake City Council  
Regular Meeting   
December 17, 2012

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

Members present: Mayor Bruce Bebo, Councilors Pat Fogarty, Nolan Johnson, Carol Roquette and Eric Nelson

Other Present: Kerry Venier, Clerk; Dale Kosek, PW; Forrest Henriksen, PD Chief; Alyssa Schauer, Silver Lake Leader; Duane Yurek; Glen Zirbes; Bob Sopkowiak

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

Consent Agenda:

1. Approve minutes of the November 19th, 2012 regular meeting.
2. Approve payroll #23, 24, 25, Nov Amb, Dec Amb., Annual Fire, & Qtr 4
3. Claims to be paid: $45,773.69 (12/11/12)  
    $31,758.67 (11/29/12)  
    $33,161.34 (12/17/12)

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

Old Business:

1. Update on Grove Ave (CSAH 2) project: Clerk Venier informed Councilors that the County had to apply for a variance from State Aid standards for the radius of the intersection of Grove and Gehlen and the City will hear the results of the variance request in early January.
2. Truth in Taxation: Councilors heard comments from property owners regarding the 2013 proposed budget and Clerk Venier explained 2013 proposed budget and levy and reviewed the property tax system, noting that much of the increase in individual tax statements is coming from changes in the Homestead exclusion put in place last year and changes in individual property valuations. Venier then presented the Council with a list of proposed changes to the 2013 budget, some as directed by the Council and others as recommended by Department Heads.   
   Councilors debated the need to include $6,000 in contingency money in the budget with one councilor suggesting reducing the budget by the amount not spent in Snow and Ice and reserving those funds in case the department needs it in the future.   
   *A motion was made by Councilor Fogarty seconded by Councilor Roquette to remove $6,000 in Contigency funds from the General Fund budget for 2013.  
   Vote for: Councilors Roquette, Foagarty, Nelson, & Johnson  
   Against: Mayor Bebo  
   Motion carried.*  
   Councilors then reviewed the other changes as presented.  
   *A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve Resolution 12-28 adopting the 2013 City budget and Tax Levy for Taxes collectible in 2013.  
   Vote for: Unanimous  
   Motion carried.*  
     
   The result is General Fund Expenditures & Revenues of $662, 472 (a decrease of 2.9% from 2012) and a General Fund Tax Levy of $380,603 (a decrease of 2.86% from 2012) and a total Tax Levy of $481,973 (a decrease of 1.67% from 2012) for 2013.

New Business:

1. Councilors reviewed proposals for the 2013 Compensation Plan. Debating a Cost of Living Adjustment between 1.5% and 2.5%.  
    *A motion was made by Councilor Johnson seconded by Councilor Nelson to adopt the 2013 Compensation Plan with a 2% Cost of Living Adjustment for all Full Time employees.  
   Vote for: Unanimous  
   Motion carried.*
2. Councilors reviewed a resolution declaring Council Members as employees of the City for worker’s compensation purposes.  
    *A motion was made by Councilor Johnson seconded by Councilor Nelson to approve Resolution 12-24 declaring Council Members as employees of the City.  
   Vote for: Unanimous  
   Motion carried.*
3. Councilors reviewed a resolution classifying fund balances for financial reporting purposes.  
    *A motion was made by Councilor Johnson seconded by Councilor Nelson to approve resolution 12-25 classifying fund balances for financial reporting purposes.  
   Vote for: Unanimous  
   Motion carried.*
4. Councilors reviewed year end transfers as budgeted.  
    *A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve resolution 12-26 authorizing year end fund transfers.  
   Vote for: Unanimous  
   Motion carried.*
5. Councilors reviewed a proposed change to the health insurance program for full time employees. Clerk Venier reported that the plan would change from a $2,500/$5,000 deductible to $3,000/$6,000 deductible and the City would still contribute $1,300/$2,600 to health saving accounts and the cost would be under the 2013 budgeted amounts.  
    *A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve resolution 12-27 approving health insurance plan for full time non-elected employees.  
   Vote for: Unanimous  
   Motion carried.*
6. Councilors reviewed a Club On Sale application for the Silver Lake American Legion for 2013.  
    *A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve the Club On Sale License for the Silver Lake American Legion for 2013.  
   Vote for: Unanimous  
   Motion carried.*
7. Councilors reviewed a cooperative agreement with the MN DNR for paving the Luce Line Trail. Clerk Venier informed Councilors that the Cities of Hutchinson, Winsted and McLeod County had agreed to fund $750,000, $100,000 and $500,000 respectively toward the project and proposed the City contribute $10,000 toward the project with $7,300 from the Economic Development fund and $2,300 from the General Fund.  
    *A motion was made by Councilor Roquette seconded by Councilor Fogarty to approve the Cooperative Agreement with the MN DNR in the amount of $10,000 with $7,300 coming from the Economic Development Fund and $2,300 from the General Fund.  
   Vote for: Mayor Bebo, Councilors Fogarty, Johnson and Roquette  
   Against: Councilor Nelson  
   Motion carried.*

Department Business:

1. Municipal Liquor Store: Councilor Fogarty reported the following:  
    Nov 2011 Nov 2012 YTD 2011 YTD 2012  
   Sales $43,445 $45,540 $477,589 $480,230  
   Cost of Goods $22,128(49.8%) $24,391(51.5%) $270,069(55.5%) $266,996(53.7%)  
   Wages & benefits $11,606(26.1%) $17,726(37.4%) $130,047(26.7%) $141,772(28.5%)  
   Overhead $ 5,288(11.9%) $ 5,747(12.1%) $ 63,956(13.1%) $ 60,570(12.2%)  
   Net Profit $ 5,414(12.2%) $ -523(-1%) $ 22,602(4.7%) $ 28,314(5.6%)
   1. Presented a request from MLS Manager Gerald Quast for approval to keep the Bar open until 1:00am on New Year ’s Eve.  
      *A motion was made by Councilor Fogarty seconded by Councilor Roquette to approve keeping the bar open until 1:00am on New Year’s Eve.  
      Vote for: Unanimous  
      Motion carried.*
   2. Reviewed a proposal for the replacement of seals on the Walk In cooler doors in the amount of $3,997.41 from Lees Refrigeration. Councilor Fogarty explained that the seals needed replacing for the last four years and suggested that we move ahead with the project. Clerk Venier informed Councilors that there was money budgeted for Capital improvements which has not been used.  
      *A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve the proposal submitted by Lees Refrigeration to replace the door seals on the Liquor Store Walk In Cooler in the amount of $3,997.41.  
      Vote for: Unanimous  
      Motion carried.*
   3. Councilor Fogarty presented two individuals for hire as part time bartenders at the liquor store.  
      *A motion was made by Councilor Fogarty seconded by Councilor Roquette to hire Kari Eischens as a part time bartender pending a successful drug test.  
      Vote for: Unanimous   
      Motion carried.  
      A motion was made by Councilor Fogarty seconded by Councilor Johnson to hire Kelley Roach as a part time bartender pending a successful drug test.  
      Vote for: Unanimous  
      Motion carried.*
   4. Councilor Fogarty presented the annual review and recommended its approval along with a step increase for Kristiana Beavers.  
      *A motion was made by Councilor Fogarty seconded by Councilor Johnson to approve the six month review with step increase for Kristiana Beavers, a part time bartender.  
      Vote for: Unanimous  
      Motion carried.*
2. Public Safety: Councilor Nelson reviewed the following:
   1. Officer Reigstad’s hiring process is almost complete and he will begin field training soon.
   2. Chief Henriksen attended the Chief law Enforcement Officer and Command Training from Dec. 4-7.
   3. Distributed call activity fro the period of 11/19-12/17.
3. Public Works: Councilor Johnson and PW Supervisor Kosek reported that the installation of the frost cover on the water tower will be done this week and plowing went well for the past snow event.
4. Community Development: Clerk Venier reported that no planning commission meeting was held due to lack of business on their agenda. Councilors suggested that the Planning Commission review the City’s Comprehensive Plan and present recommendations for any updates.
5. Administration: Clerk Venier presented the following:
   1. Presented the November Treasurer’s Report
   2. Presented an application from the American Legion for a One-Day Liquor on-sale license for Jan. 6, 2013.  
      *A motion was made by Councilor Johnson seconded by Councilor Roquette to approve the One-Day Liquor on-sale license for the American Legion on Jan. 6, 2013.  
      Vote for: Unanimous  
      Motion carried.*

Open Discussion:

1. Councilors discussed the possibility of leaving the Liaisons the same for the upcoming year.

*A motion was made by Councilor Johnson seconded by Councilor Nelson to adjourn this regular meeting of the Silver Lake City Council.  
Vote for: Unanimous  
Motion carried; meeting adjourned at 9:44pm.*

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Bruce Bebo, Mayor

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Kerry Venier, Clerk/Treasurer