Minutes
Silver Lake City Council
Regular Meeting
May 16, 2011

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

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

Absent: Councilor Willie Krohn

Others present: Kerry Venier, Clerk; Bill Hummel, PD Chief; Dale Kosek, PW Supervisor; Gerald Quast, MLS Manager; Paul Harvego, Auditor; Mary Samsel; Dr. Tom Rakow; Ed Klima; Jeremy Mills; Sandra Keswick; Jim Richardson

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

Consent Agenda:

1. Approve minutes of the April 4, 2011 regular meeting
2. Approve minutes of the April 18, 2011 regular meeting
3. Approve payroll #8 & 9 and April Ambulance.
4. Claims to be paid: $25,575.08 (05/05/11)
 $ 113.97 (04/27/11)
 $11,207.45 (04/21/11)
 $28,749.97 (05/16/11)

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

Old Business:

1. Mayor Bebo reviewed the pier and trail proposal to locate two piers on Silver Lake. The first pier will be a used pier that the DNR will relocate from Swan Lake to Silver Lake and will be placed near Lion’s Park on the Northeast shore of Silver Lake; this pier will cost the City nothing and the City would enter into a cooperative agreement for five years. The second pier would cost the City $17,500, of which $2,000 was approved last year by the Council and $15,500 has come from donations.

Mayor Bebo also informed Councilors that he is working on getting funding to install a trail running from the west end of Main Street along the City owned potion of lake shore near Cedar Crest as part of the total project. The proposed trail will be 6’ wide, 4” thick and made out of recycled out of concrete/bituminous and will be approximately 1,020 feet long. In addition, four benches will be installed along the lake. Bebo reported that the trail and pier project is estimated to cost $30,100 and to date $20,146 has been donated towards; he told Councilors that the Lake Association will be approaching different organizations and ask for donations and the Lake Association will sponsor an annual golf tournament to raise funds as well.

Clerk Venier and Kristy Rice of the DNR reviewed the process for obtaining a pier. Venier said the City will donate the $17,500 to the DNR for the purchase of a pier and then enter into a 20 year cooperative agreement with them and the DNR will order, install, and maintain the pier.

*A motion was made by Councilor Johnson seconded by Councilor Roquette to approve Resolution 11-13 approving a donation to MN DNR for the purchase and installation of a fishing pier on Silver Lake.
Vote for: Unanimous
Motion carried.

A motion was made by Councilor Johnson seconded by Councilor Roquette to approve Resolution 11-14 authorizing the Mayor and City Clerk to enter into a cooperative agreement with the MN DNR for the installation and maintenance of fishing piers on Silver Lake.
Vote for: Unanimous
Motion carried.*
2. Mr. Paul Harvego, the City’s Auditor gave an overview of the annual audit of the City’s finances. Mr. Harvego noted that the City’s finances were in good shape and the City was in a good financial position should it ever need to bond for future projects. The General Fund had approximately five months of expenses in reserves and Mr. Harvego noted that the MN Auditor recommends 3-5 months of expenditures in reserve for a City’s General Fund. In reviewing the City’s Liquor Fund Mr. Harvego noted that there was a profit in 2010 and recommended that the Council review inventory variance reports and gross profit on fryer foods as these were areas which had seen fluctuations in the past few years. Mr. Harvego informed Councilors, in reviewing the Water and Sewer Funds, that rate increases are needed in the funds so that the City will build up the necessary funds needed if the City is to do any major repairs to the water/sewer infrastructure.
Clerk Venier told Councilors that the full audit and financial statements will be available to the public at City Hall.

New Business:

1. Dr. Tom Rakow, Ed Klima, and Jim Richardson addressed the Council on behalf of Grace Bible Church and Centershot Ministries to request permission to conduct archery in the Grace Bible Church at 300 Cleveland St. Dr. Rakow explained the mission and vision of the Centershot Ministry and noted that the archery practice will take place in the lower level of the Church under adult supervision.
Dr. Rakow showed a video describing the ministry.
 *A motion was made by Councilor Roquette seconded by Councilor Nelson to authorize Grace Bible Church to conduct Archery within the premises located at 300 Cleveland St NW.
Vote for: Unanimous
Motion carried.*
2. Councilors reviewed an application for a 3.2 beer on-sale license for Pola Czesky Days Committee for August 5-7.
 *A motion was made by Councilor Johnson seconded by Councilor Roquette to approve a 3.2 beer on-sale license for the Pola Czesky Committee on August 5-7.
Vote for: Unanimous
Motion carried.*
3. Councilors reviewed water/sewer accounts for the following individual accounts:
	1. 213 Park Ave NW: Clerk Venier informed Councilors that this account was billed for 276,800 gallons of water/sewer usage in April 2011 when City staff noticed that the remote wire was disconnected. Venier said that a review of the account revealed that the account was billed for approximately 11,000 from 2009 and 2010.
	Mr. Jeremy Mills, the property owner, was present and informed Councilors that he did not have $1705.20 to pay the bill and asked why the problem was not caught earlier. Clerk Venier informed Councilors that the meters are only read three times per year and the other times are estimated. In this case the estimate was higher than the actual reading so they City was waiting until the reading caught up to the estimate and it wasn’t until this year that staff found the disconnected remote wire and got a reading from the basement meter. Venier explained that the bill shows the water usage on it. Mayor Bebo asked Mr. Mills if he noticed the dramatic drop in his water bill and why he didn’t question it, to which Mr. Mills said he didn’t pay attention to the bill.
	Clerk Venier told Councilors that the billing process relies on estimates 3 times a year and readings 3 times a year and there is not enough staff to look at each account billing on an individual basis to figure out what determine each households water use; the billing process relies on users to monitor their billings to ensure accuracy and the City receives many calls from customers when they feel they have been billed too much or not enough. Venier also informed Councilors that going to a remote read system would solve the problem but the cost of approximately $125,000 is something the City simply can’t afford at this time.
	Venier suggested allowing Mr. Mills to spread the repayment of the water usage over a period of time as the usage was over a period of time. Councilors asked if this would work for Mr. Mills, to which Mr. Mills agreed but said it would still be tough and he thought the City should forgive part of the bill. Mayor Bebo replied that the City couldn’t do that as the water was used by them and spreading out the repayment of the bill would be the fairest option.
	Councilors agreed to let Mr. Mills pay the bill over the next five years, provided payment is made each billing period, and if no payment is made penalties would be applied to the full balance and would be due.
	2. 1104 Main St W: Clerk Venier informed Councilors that this account had received a bill of approximately $500 for usage since April of 2010; noting that the last reading was in August of 2010 and at the time noted that there reading had not caught up with the June estimate. It was found in April 2011 that the remote wire was disconnected and no reading was registering on the remote reader, a reading was obtained off the basement meter and that was what resulted in the high billing. Again Clerk Venier suggested spreading the repayment over a period of time as the usage didn’t occur during one billing period.
	Councilors approved allowing 18 months for the repayment of the billing pending regular payments are received each billing period.

Department Business:

1. Liquor Store: Councilor Johnson reported on the following:
 Apr. 11 Apr. 10 YTD 11 YTD 10
	1. Sales $44,384 $42,832 $168,805 $169,643
	2. Cost of Goods $25,946(57.2%) $25,026(56.4%) $ 91,425(53.4%) $ 91,769(52.7%)
	3. Wages & Benefits $12,034(26.5%) $11,946(26.9%) $ 43,392(25.3%)$ 45,404(26.1%)
	4. Overhead $ 9,504(21%) $10,625(24%) $ 20,772(12.1%)$ 25,329(14.9%)
	5. Net Profit $ (2,133)(-4.7%) $ (3,231)(-7.3%) $ 15,620( 9.2%) $ 11,114(6.3%)
	6. Recommended approval for the six month reviews for two cleaners, Michelle Ebert and Christine Kaczmarek, and Lori Galles, a PT Bartender.
	 *A motion was made by Councilor Johnson seconded by Councilor Nelson to approve the six month review with a step increase for Christine Kaczmarek.
	Vote for: Unanimous
	Motion carried.

	A motion was made by Councilor Johnson seconded by Councilor Roquette to approve the six month review with a step increase for Michelle Ebert.
	Vote for: Unanimous
	Motion carried.

	A motion was made by Councilor Johnson seconded by Councilor Nelson to approve the annual review for Lori Galles (not eligible for step increase at this time).
	Vote for: Unanimous
	Motion carried.*
	7. MLS Manager Quast presented 3 proposals for replacement of the beer tap system. C&L $3,587.16, Locher Bros. $3,706.74, and Micro Matic $3,787.73. Quast explained that he felt the current tap lines were resulting in a lot of beer waste due to foam when pouring and the new system would reduce the amount of foam when being dispensed; he also told councilors that there was money in the budget for this year to do some of these replacements.
	 *A motion was made by Councilor Johnson seconded by Councilor Roquette to approve the proposal from C&L Distributing in the amount of $3,587.16 to replace the beer tap lines at the Municipal Liquor Store.
	Vote for: Unanimous
	Motion carried.*
	8. MLS Manager Quast presented a request from Faith Presbyterian Church to use the Auditorium for a Battle of the Bands fund raiser on June 16th from 5-9pm.
	 *A motion was made by Councilor Johnson seconded by Councilor Roquette to waive the Auditorium Rent fees for the Presbyterian Church Battle of the Bands Fund Raiser on June 16th from 5-9pm. Provided the Auditorium is cleaned after use or a cleaning fee will apply.
	Vote for: Unanimous
	Motion carried.*
2. Public Safety: Councilors reviewed an ordinance amending the current animal control ordinance. The amendment would require all dogs and cats to have an identification tag on indicating owner’s name address and phone number, as well as a vaccination tag affixed to the animal’s collar. The amendment would make it unlawful for the owner to fail to do so, an impound fee shall be charged to the owner to cover the impound costs and a fine of $15 will be levied for the first occurrence, $35 for a second offense, and $50 for a third and subsequent offenses. Councilor Nelson expressed concern about people visiting relatives in Silver Lake and not being aware of the new law and asked if it could only apply to residents; Clerk Venier informed him that the law would apply to anyone regardless of residency as the City could not exempt a certain population from any laws.
*A motion was made by Councilor Roquette to adopt Ordinance 75 amending the Chapter 10 Section 4.
Motion failed for lack of a second.*
Councilors again discussed the proposed amendment with Chief Hummel saying this is something that is needed so the Police have a way to identify animals and their owners in the event of a bite or a loose animal.
 *A motion was made by Councilor Johnson seconded by Councilor Roquette to adopt Ordinance 75 amending Chapter 10 Section 4of the City Code to include an Animal Tag Requirement.
Vote for: Mayor Bebo, Councilors Johnson and Roquette
Against: Councilor Nelson
Motion carried.

A motion was made by Councilor Johnson seconded by Councilor Roquette to amend Ordinance 75 to be effective following publication and August 1, 2011.
Vote for: Unanimous
Motion carried.*

Councilors closed the meeting to conduct the annual performance review for Police Chief Bill Hummel. (approximately 8:30 pm.)
The meeting was reopened at 9:15pm.
Clerk Venier informed those in attendance that the result of the closed session was Chief Hummel’s review was approved.
3. Public Works: Councilor Nelson reported the following:
	1. Discharge of secondary wastewater pond has commenced and Predischarge samples have met MPCA limits.
	2. Public Works Supervisor Kosek recommended no seal coating in 2011 but reported the need for crack filling and infrared pavement repairs on Cleveland St near Grove and also along Franks St. Mr. Kosek also presented a proposal from Bargen Inc for such services.
	 *A motion was made by Councilor Johnson seconded by Councilor Nelson to approve the proposal from Bargen Inc for crack filling services in the amount of $14,975.00 for 2011.
	Vote for: Unanimous
	Motion carried.*
	3. PW Supervisor Kosek recommended hiring part time personnel to work in the event of an emergency as a back up to full time PW personnel in case any of them aren’t available. Clerk Venier said they would be considered at the Maintenance 1 grade for payroll purposes.
	 *A motion was made by Councilor Johnson seconded by Council Roquette to approve the Hire of Rick Stielle, Joe Kaczmarek, Harvey Mikolichek, Kyle Wawrzyniak, Brian Nemec, and Tim Grenke as Part Time Maintenance 1 personnel to be used on an emergency basis and pending drug test.
	Vote for: Unanimous
	Motion carried.*
4. Community Development: Clerk Venier reported the following
	1. The planning commission will meet on May 17th.
	2. Councilors reviewed Resolution 11-10 appointing part time seasonal employees for the Summer Recreation program and pool.
	 *A motion was made by Councilor Roquette seconded by Councilor Johnson to approve Resolution 11-10 appointing part time seasonal employees.
	Vote for: Unanimous
	Motion carried.*
5. Administration: Clerk Venier reported the following:
	1. Presented the Treasurer’s Report for April.
	2. Presented Resolution 11-11 declaring a state of emergency for the spring flooding event. Venier explained that the resolution was needed for the application the City has submitted to FEMA for flooding aid.
	 *A motion was made by Councilor Roquette seconded by Councilor Nelson to approve Resolution 11-11 declaring a state of emergency due to spring flooding.
	Vote for: Unanimous
	Motion carried.*
	3. Presented Resolution 11-12 approving property/casualty insurance premiums. Venier explained the premiums were approximately $1,500 below what was budgeted for 2011.
	 *A motion was made by Councilor Johnson seconded by Councilor Nelson to approve Resolution 11-12 approving property/casualty insurance premiums*
	4. Presented the annual review for Deputy Clerk Mesenbrink; Clerk Venier told Councilors that she is exceeding the expectations of the position and is continuing to learn the position and recommended approval of the review with a step increase.
	 *A motion was made by Councilor Roquette seconded by Councilor Johnson to approve the annual review with step increase for Kristi Mesenbrink, Deputy Clerk.
	Vote for: Unanimous
	Motion carried.*

Open Discussion:

1. Mayor Bebo informed Councilors that the Legislator had passed a law regarding a City’s authority to grant variances. Councilors asked Clerk Venier to research the new law to see if any changes are needed to the City Code.

*A motion was made by Councilor Roquette seconded by Councilor Nelson to adjourn this regular meeting of the Silver Lake City Council.
Vote for: Unanimous
Motion carried; meeting adjourned at 11:45pm.*

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Bruce Bebo, Mayor

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Kerry Venier, Clerk/Treasurer