



CITY
OF
DULUTH
**PROCEEDINGS OF THE
CITY COUNCIL
2012**

OFFICIAL PROCEEDINGS

Duluth City Council meeting held on Tuesday, January 17, 2012, 7:00 p.m. in the Council Chamber, City Hall, Duluth, Minnesota.

Roll call: Present: Councilors Boyle, Fosle, Gardner, Julsrud, Krause, Krug, Larson, Stauber and President Hartman -- 9

Absent: None -- 0

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ELECTION OF OFFICERS

Councilor Boyle nominated Councilor Hartman for the office of president of the Duluth City Council for the year 2012, which motion was seconded and unanimously carried.

President Hartman nominated Councilor Boyle for the office of vice president of the Duluth City Council for the year 2012, which motion was seconded and unanimously carried.

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REPORTS FROM OTHER OFFICERS

12-0117-01 Public works and utilities director report on truck loading zone request at 132 East Superior Street, pursuant to Section 33-87 of the Duluth City Code. -- Received

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REPORTS OF BOARDS AND COMMISSIONS

12-0117-02 Commission on disabilities minutes of December 7, 2011, meeting. -- Received

12-0117-03 Duluth airport authority minutes of October 18, 2011, meeting. -- Received

12-0117-04 Duluth human rights commission minutes of November 9, 2011, meeting. -- Received

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

12-0117-07 Duluth public utilities commission resolutions, pursuant to Section 2-187 of the Duluth City Code, establishing rates for:

- (a) Automatic adjustments of sanitary sewer rates to reflect sewer charges imposed by the Western Lake Superior Sanitary District;
- (b) Natural gas second rate tier in the northern expansion area and Fond du Lac;
- (c) Wastewater facilities customer and user changes;
- (d) Water. -- Received

12-0117-05 Duluth transit authority: (a) Minutes of October 26, 2011, meeting; (b) September 2011 income statement. -- Received

12-0117-06 Housing and redevelopment authority of Duluth minutes of November 29, 2011, meeting. -- Received

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At this time, 7:18 p.m., the public hearing on tax abatement bonds (Spirit Mountain recreation area project) was opened.

No one appeared who wished to be heard and the public hearing was closed at 7:19 p.m.

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RESOLUTION TABLED

Councilor Larson moved to remove Resolution 11-0681, authorizing the city to enter into a joint powers agreement with Independent School District 709, Duluth Public Schools, to provide for community education and recreation programs through collaboration and coordination of resources, from the table, which motion was seconded and unanimously carried.

Councilor Larson moved to return the resolution back to the administration, which motion was seconded and unanimously carried.

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MOTIONS AND RESOLUTIONS

CONSENT AGENDA

(All matters listed under the consent agenda were considered routine and/or noncontroversial and were enacted by one unanimous motion.)

President Hartman moved passage of the consent agenda, which motion was seconded and unanimously carried.

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement substantially in the form on file in the office of the city clerk as Public Document No. 12-0117-08, with the Historic Union Depot, Inc., (Depot), in an amount not to exceed \$151,800, payable from Fund 258, Agency 030, Account 5436-03 (tourism taxes, finance, tourism tax allocation Historic Union Depot).

Resolution 12-0003 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the city acting through the city treasurer, shall make available to the Spirit Mountain recreation area authority (authority) a line of credit up to \$350,000, to be drawn upon as needed, to assist in the management of cash flow within the approved budget, with an interest rate

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

of 2.50 percent per annum charged on drawn funds.
Resolution 12-0006 was unanimously adopted.
Approved January 17, 2012
DON NESS, Mayor

- - -

RESOLVED, that Resolution 11-0347 is amended by changing the interest rate charged on drawn funds from 4.00 percent per annum to 2.50 percent per annum effective January 1, 2012.
Resolution 12-0007 was unanimously adopted.
Approved January 17, 2012
DON NESS, Mayor

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RESOLVED, that the assessment roll levied for confirmation to defray the assessable portion of 1008 North 54th Avenue East street construction and eight inch watermain (#7116 – Fund 440) (assessable amount is \$18,000) is hereby confirmed.
Resolution 12-0018 was unanimously adopted.
Approved January 17, 2012
DON NESS, Mayor

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BE IT RESOLVED, by the city council (the “council”) of the city of Duluth, Minnesota (the “city”), as follows:

Section 1. Authorization and recitals.

1.01. The city, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the “act”), is authorized to grant an abatement of the property taxes imposed by the city on a parcel of property, if certain conditions are met, through the adoption of a resolution specifying the terms of the abatement.

1.02. The city proposes to undertake improvements to public facilities consisting of improvements to the Spirit Mountain Recreation Area, including lift improvements, parking lot improvements and a new chalet on Grand Avenue (the “project”).

1.03. Pursuant to the act, on the date hereof, the council conducted a public hearing on the desirability of granting an abatement of property taxes on certain properties expected to be benefitted by the proposed project, which properties are identified on the list on file in the office of the city clerk as Public Document No. 12-0117-09 (the “properties”). Notice of the public hearing was duly published as required by law in the *Duluth News Tribune*, the official newspaper of the city, on January 5, 2012, which date is no fewer than ten and no more than 30 days prior to the date hereof.

Section 2. Findings. On the basis of the information compiled by the city and elicited at the public hearing referred to in Section 1.03, it is hereby found, determined and declared:

2.01. The project is in the public interest because it will provide or help acquire and construct public facilities.

2.02. The city expects that the benefits of the proposed abatement are not less than the costs of the proposed abatement. The public benefits that the city expects to result from the abatement are the provision of an improved Spirit Mountain Recreation Area for the benefit of residents of the city and to promote tourism within the city.

2.03. The properties are not located in a tax increment financing district.

2.04. The granting of the proposed abatement will not cause the aggregate amount of abatements granted by the city under the act in any year to exceed the greater of (i) ten percent of the city’s net tax capacity for the taxes payable in the year to which the abatement applies, or (ii)

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

\$200,000.

2.05. It is in the best interests of the city to grant the tax abatement authorized in this resolution.

2.06. Under Section 469.1813, subdivision 9, of the act, it is not necessary for the city to obtain the consent of any owner of any of the Properties to grant an abatement.

Section 3. Granting of tax abatement.

3.01. A property tax abatement (the "abatement") is hereby granted in respect of property taxes levied by the city on the properties for 15 years, commencing with taxes payable in 2013 and concluding with taxes payable in 2027. The abatement will reduce all of the city's portion of the taxes for each of the properties, and the abatement will not exceed \$500,000 per year and a total aggregate amount of \$7,500,000.

3.02. The city shall retain the abatement and apply it to payment of all or a portion of the costs of acquiring or constructing the project or to the payment of bonds of the city issued to finance costs of acquiring or constructing the project.

3.03. The abatement may be modified or terminated any time by the council in accordance with the act.

Resolution 12-0019 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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BE IT RESOLVED, by the city council of the city of Duluth, Minnesota, as follows:

(a) Authorization of bonds. It is hereby found, determined, and declared to be necessary, and in the best interests of the city and its residents, that the city should issue general obligation tax abatement bonds, Series 2012A, in the approximate amount of \$6,975,000 (the "bonds"), pursuant to Minnesota Statutes, Section 469.1814, and Chapter 475, for the purpose providing funds for improvements to the Spirit Mountain Recreation Area, including lift improvements, parking lot improvements and a new chalet on Grand Avenue;

(b) Issuance and sale of bonds. The terms and conditions of the bonds and the sale thereof are set forth in the official terms of offering on file with the city clerk as Public Document No. 12-0117-10. Each and all of the terms and provisions set forth in the official terms of offering are adopted and confirmed as the terms and conditions of the bonds and the sale thereof, and the city council shall meet at the time and place fixed herein to consider bids for the purchase of the bonds. Due to changes in the municipal bond market, the city administrator, with the advice of the city's financial consultant, may modify the official terms of offering regarding the maturity schedule, the minimum bid and the maximum bid prior to the sale of the bonds;

(c) Competitive sale of bonds. Public Financial Management, Inc., independent financial advisor to the city, is hereby authorized to provide the notice of the sale for the bonds in accordance with Minnesota Statutes, Section 475.60, subdivision 3, and in accordance with the official terms of offering;

(d) Subsequent resolutions. The form, specifications and provisions for repayment of the bonds shall be set forth in a subsequent resolution of this city council.

Resolution 12-0020 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proposed amendments to the specifications for the civil service

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

classification of chief gas controller, which were approved by the civil service board on January 3, 2012, and which are filed with the city clerk as Public Document No. 12-0117-11, are approved. This classification shall remain subject to the city's collective bargaining agreement with its supervisory unit employees and compensated at Pay Range 1080-1090.

Resolution 12-0022 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proposed amendments to the specifications for the civil service classification of gas and energy coordinator, which were approved by the civil service board on July 5, 2011, and which are filed with the city clerk as Public Document No. 12-0117-12, are approved; that said classification shall remain subject to the city's collective bargaining agreement with its basic unit employees, and that the pay range will change from Pay Range 32 to Pay Range 33. The proper city officials are authorized to execute and implement for employing one or more unit members consistent with this resolution.

Resolution 12-0023 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that pursuant to Resolution 09-0342 adopted on May 26, 2009, the city council confirms the appointments by Mayor Ness of the following individuals to the Duluth economic development authority:

City Councilor Dan Hartman for a term expiring on January 6, 2014.

City councilors Jay Fosle and Emily Larson for terms expiring on January 4, 2016.

Resolution 12-0032 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proper city officers are hereby authorized to execute a license agreement substantially in the form as filed with the city clerk as Public Document No. 12-0117-13 with the Minnesota Land Trust granting the trust a license for access across city property to radio tower bay for removal of wood pilings and concrete structures located in the bay, at no cost to the city.

Resolution 12-0017 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the city council hereby makes the following findings:

(a) That Resolution 11-0336 was approved by the city contingent upon the dedication of any right-of-way easements for street and sidewalk purposes to provide for vehicular and pedestrian circulation; and

(b) The city has received an easement agreement and easement sketch for the relocation of utilities and to provide for access purposes.

FURTHER RESOLVED, that the city council of the city of Duluth accepts, on behalf of the general public, the dedication for street and highway purposes of those easements described in

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

Public Document No. 12-0117-14.

Resolution 12-0025 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that Contract C20811 with MSA Professional Services, Inc., for design and construction services for the Lakeside interceptor sanitary sewer overflow facility - Basin No. 2 be and hereby is amended for additional construction inspection time due to the extension of contract completion dates, and work associated with Lift Station No. 6 pump replacement, in the amount of \$41,443.54 for a new total of \$697,169.27, payable from Fund 532, Agency 500, Object 5536 (clean water fund, public works and utilities, utility infrastructure replacement), City Project No. 0696SN.

Resolution 12-0009 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that by Resolution of Intent No. 11-0170 the council did request the administration to prepare plans and specifications for the construction of approximately 600 feet of low pressure sanitary sewer in Columbia Street beginning at North Central Avenue and extending westerly.

FURTHER RESOLVED, that by Resolution No. 11-0685 the city entered into an agreement with Kurtis and Yonhui Martin (5612 Columbia Street) and Scott Solem (5618 Columbia Street) for the owners to pay the costs of the work through an agreed-upon assessment.

FURTHER RESOLVED, that said work be done by contract and that the estimated total cost of said improvement as estimated by the city engineer is \$30,000, payable from Fund 410, Department 038, Object 5530 (special assessment, contracts, improvements other than buildings), City Project No. 1001SN; and of these costs \$30,000 will be assessed to the benefitting properties.

FURTHER RESOLVED, that assessments shall be levied upon lands benefitting per the preliminary assessment roll and may be paid in 15 annual installments at the bond fund index plus 1.50 percent.

FURTHER RESOLVED, that the city council order in subject project in accordance with the provisions of the City Charter, and that said improvement be hereby ordered.

Resolution 12-0012 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that city officials are hereby authorized to contract with Hawkins, Inc., for the purchase and delivery of 110 tons of hydrofluorosilicic acid in accordance with specifications and the vendor's low bid of \$620 per ton for a total of \$68,200 plus 6.875 percent sales tax of \$4,688.75, for a combined total amount of \$72,888.75, terms net 30, FOB destination, payable from the Water Fund 510, Department/Agency 500 (public works and utilities), Organization 1955 (water treatment and pumping), Object 5216-03(chemicals hydrofluorosilicic acid).

Resolution 12-0013 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that city officials are hereby authorized to contract with Thunder Bay

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

Chemicals, Ltd., for the purchase and delivery of 125,000 gallons of liquid aluminum sulfate in accordance with specifications and the vendor's low bid of \$1.2829 per gallon for a total of \$160,362.50 plus 6.875 percent sales tax of \$11,024.92, for a combined total amount of \$171,387.42, terms net 30, FOB destination, payable from the Water Fund 510, Department/Agency 500 (public works and utilities), Organization 1955 (water treatment and pumping), Object 5216-04 (chemicals liquid aluminum sulfate).

Resolution 12-0014 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that city officials are hereby authorized to contract with Hawkins, Inc., for the purchase and delivery of 85,000 gallons of caustic soda in accordance with specifications and the vendor's low bid of \$2.01 per gallon for a total amount of \$170,850 plus 6.875 percent sales tax of \$11,745.94 for a combined total amount of \$182,595.94, terms net 30, FOB destination, payable from the Water Fund 510, Department/Agency 500 (public works and utilities), Organization 1955 (water treatment and pumping), Object 5216-05 (chemicals - liquid caustic soda).

Resolution 12-0015 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proper city officials are hereby authorized to enter into an agreement with SEH, Inc., to provide professional engineering services for the design of the Lakewalk East extension, phases IV and V, from 60th Avenue East to Brighton Beach, payable from Capital Improvement Fund 450, Department/Agency 030 (finance), Object 5530 (improvements other than buildings), City Project No. 0645TR, in the amount of \$185,800.

Resolution 12-0016 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proper city officials are authorized to accept an emergency management planning grant agreement for Grant No. 2010-EMPG-00644, a copy of which is on file in the office of the city clerk as Public Document No. 12-0117-15, from the Minnesota department of public safety, homeland security and emergency management division, in the amount of \$20,000, said funds to be deposited in Fund 210-030-3164-4210-02 (special projects fund, finance department, homeland security, pass-thru federal grants operating), for the purpose of assisting and supporting the city in maintaining adequate local emergency management programs.

Resolution 12-0028 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proper city officials are authorized to accept Grant Agreement No. EMW-2011-FO-06175 from the U.S. department of homeland security, federal emergency management agency, assistance to firefighters grant program, operations and safety grant, a copy of which is on file in the office of the city clerk as Public Document No. 12-0117-16, in the amount of \$184,509, said funds to be deposited in Fund 210-special projects fund, Agency 030-finance, Organization 3174-FEMA grant, Revenue Source 4209-02, for the purpose of purchasing 16

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

automated external defibrillators (AEDs) and 16 thermal imaging devices, and committing \$46,127 as the city's local share cost of said grant, said sum to be paid from the city's 2012 capital equipment notes.

Resolution 12-0029 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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RESOLVED, that the proper city officials are authorized to accept Grant Agreement No. EMW-2011-FO-01291 from the U.S. department of homeland security, federal emergency management agency, assistance to firefighters grant program, operations and safety grant, a copy of which is on file in the office of the city clerk as Public Document No. 12-0117-17, in the amount of \$480,000, said funds to be deposited in Fund 210-030-3169-4209-02 (special projects fund, finance department, FEMA assistance to firefighters, direct federal grants operating), for the purpose of purchasing a new fire truck, and committing \$120,000 as the city's local share cost of said grant, said sum to be paid from the city's 2012 capital equipment notes.

Resolution 12-0030 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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The following resolutions were also considered:

Resolution 12-0001, authorizing execution of an agreement with Visit Duluth to provide advertising and promotion services to the city of Duluth for the years 2012-2014, was introduced by Councilor Julsrud for discussion.

The rules were suspended upon a unanimous vote to hear from a speaker on the resolution.

Karen Pionk, chair of Visit Duluth, reviewed that based on the task force report, the board is making changes to their procedures, structure and bylaws and has reviewed their current goals while setting new goals for 2012.

Resolution 12-0001 was adopted as follows:

RESOLVED, that the proper city officials are hereby authorized to execute an agreement with Visit Duluth, substantially in the form on file in the office of the city clerk as Public Document No. 12-0117-18, for advertising and promotion services to the city during the years 2012-2014 at a cost to the city not to exceed \$1,600,000 annually, payable from Fund 258, Agency 030, Object 5436-02 (tourism taxes, finance, tourism tax allocation Visit Duluth).

Resolution 12-0001 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

- - -

Resolution 12-0002, authorizing an agreement with Duluth Sister Cities International, Inc., in the amount of \$20,000, was introduced by Councilor Julsrud for discussion.

The rules were suspended upon a unanimous vote to hear from speakers on the resolution.

Koresh Lakhan and Irina Haller thanked the council for their support of Sister Cities International, Inc., as these dollars are vital for them to operate and this organization allows for an opportunity for citizens of Duluth to interact with people that are from different cultures.

Councilor Krause reviewed that the history of support for the organization was to wean it from receiving any of the city's money.

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

Councilor Fosle stated that this money could be used for other tourist attractions in Duluth that receive no money from the city.

Resolution 12-0002 was adopted as follows:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement, substantially in the form on file in the office of the city clerk as Public Document No. 12-0117-19, with Duluth Sister Cities International, Inc., (DSCI) in an amount not to exceed \$20,000, payable from Fund 258, Agency 030, Account 5436-05 (tourism taxes, finance, tourism tax allocation sister cities).

Resolution 12-0002 was adopted upon the following vote:

Yeas: Councilors Boyle, Gardner, Julsrud, Krug, Larson, Stauber and President Hartman -- 7

Nays: Councilors Fosle and Krause -- 2

Approved January 17, 2012

DON NESS, Mayor

- - -

Resolution 12-0004, authorizing an agreement with Great Lakes Aquarium in the amount of \$300,000, was introduced by Councilor Julsrud for discussion.

The rules were suspended upon a unanimous vote to hear from speakers on the resolution.

Dennis Lamkin and Jack Lavoy stated the aquarium is a great community resource that has made great strides over the past years and is an important part of tourist attraction in Duluth which includes educational programming for the students in grade school.

Councilor Krause reviewed that the council has had previous discussions that the aquarium was to become self sufficient but the amount given to the facility has risen over the past couple of years.

Resolution 12-0004 was adopted as follows:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement substantially in the form on file in the office of the city clerk as Public Document No. 12-0117-20, with the Lake Superior Center, dba Great Lakes Aquarium, in an amount not to exceed \$300,000, payable from Fund 258, Agency 030, Account 5436-08 (tourism taxes, finance, tourism tax allocation Great Lakes Aquarium).

Resolution 12-0004 was adopted upon the following vote:

Yeas: Councilors Boyle, Fosle, Gardner, Julsrud, Krug, Larson, Stauber and President Hartman -- 8

Nays: Councilor Krause -- 1

Approved January 17, 2012

DON NESS, Mayor

- - -

Resolution 12-0005, authorizing an agreement with Duluth Public Arts Fund, Inc., in the amount of \$30,000, was introduced by Councilor Julsrud for discussion.

The rules were suspended upon a unanimous vote to hear from a speaker on the resolution.

Jonathan Lee, president of the Duluth public arts commission, explained the primary purpose of the commission and the arts fund is continuing maintenance and restoration of the sculptures throughout the city that have been commissioned or purchased throughout the history of the commission. He continued explaining that they coordinate with a professional conservator to see that these pieces are suitably maintained.

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

Resolution 12-0005 was adopted as follows:

RESOLVED, that the proper city officials are hereby authorized to enter into an agreement substantially in the form of that on file in the office of the city clerk as Public Document No. 12-0117-21, with the Duluth Public Arts Fund, Inc., (DPAC), in an amount not to exceed \$30,000, payable from Fund 258, Agency 030, Account 5436-04 (tourism taxes, finance, tourism tax allocation Duluth public arts).

Resolution 12-0005 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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Resolution 12-0008, authorizing city officials to transfer \$129,241.35 from the tourism tax fund balance to the Great Lakes Aquarium to satisfy overdue utility bills, was introduced by Councilor Julsrud for discussion.

The rules were suspended upon a unanimous vote to hear from a speaker on the resolution.

Jack Lavoy explained that these are legacy bills left over from the previous managing company and they need to pay these bills in order to move forward and apply for grant money to have new plans and exhibits for the aquarium developed.

Resolution 12-0008 was adopted as follows:

RESOLVED, that the proper city officials are authorized to transfer \$129,241.35 from the undesignated fund balance in the tourism tax fund to the Great Lakes Aquarium to satisfy overdue utility bills incurred prior to 2010.

Resolution 12-0008 was adopted upon the following vote:

Yeas: Councilors Boyle, Fosle, Gardner, Julsrud, Krug, Larson, Stauber and President Hartman -- 8

Nays: Councilor Krause -- 1

Approved January 17, 2012

DON NESS, Mayor

- - -

Resolution 12-0024, approving budget and cost sharing formula of Minneapolis-Duluth/Superior passenger rail alliance and authorizing payment of city's cost share of \$30,875, was introduced by Councilor Julsrud for discussion.

The rules were suspended upon a unanimous vote to hear from a speaker on the resolution.

Ken Buehler thanked the council for their past support to return rail passenger service to Duluth as it will produce a large economic impact by connecting Duluth to the seven county metro area.

Councilor Fosle stated there are other entities in Duluth that do not receive any tourism dollars that could use this money.

Councilor Krause stated that one of the challenges of this project is that tourists going further up the North Shore or to the Boundary Water Canoe Area Wilderness would not use the train as they would not have transportation to continue on or be able to carry their equipment on the train. He also voiced concern that federal support for high speed rail would not be available for this project.

Resolution 12-0024 as adopted as follows:

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

RESOLVED, that the city council hereby approves the 2012 budget and cost sharing formula for the Minneapolis-Duluth/Superior passenger rail alliance, a copy of which is on file in the office of the city clerk as Public Document No. 12-0117-22, as approved for in paragraph V-E. of that certain joint powers agreement on file as City Agreement No. 20580.

FURTHER RESOLVED, that the proper city officials are hereby authorized to pay the city's share of sail alliance's 2012 budget in the amount of \$30,875 in conformance with Section VI-A. of City Agreement No. 20580, said sum to be payable from Fund 258-030-5436-09.

Resolution 12-0024 was adopted upon the following vote:

Yeas: Councilors Boyle, Gardner, Krug, Larson and President Hartman -- 5

Nays: Councilors Fosle, Julsrud, Krause and Stauber -- 4

Approved January 17, 2012

DON NESS, Mayor

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Resolution 12-0026, by Councilor Boyle, appointing _____ to the Duluth public utilities commission, replacing Daniel Hartman, was introduced for discussion.

Councilor Boyle moved to amend the resolution by appointing Jennifer Julsrud to the commission, which motion was seconded and unanimously carried.

Resolution 12-0026, as amended, was adopted as follows:

BY COUNCILOR BOYLE:

RESOLVED, that the city council hereby appoints Jennifer Julsrud (city councilor) to the Duluth public utilities commission for a term expiring on March 31, 2013, replacing Daniel Hartman.

Resolution 12-0026, as amended, was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

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Resolution 12-0021, authorizing agreement with Madden Galanter Hansen, LLP for legal services related to labor negotiations in an amount not to exceed \$45,000, was introduced by Councilor Gardner for discussion.

Councilor Gardner stated the city should not hire outside negotiators as the city has the tools and staff in the attorney's office to negotiate with the unions.

Councilor Stauber stated that there are great local law firms in Duluth that would be able to do this job and it would have kept the city's money local.

Resolution 12-0021 was adopted as follows:

RESOLVED, that the proper city officials are hereby authorized to execute an agreement, substantially the same as that on file in the office of the city clerk as Public Document No. 12-0117-23, with Madden Galanter Hansen, LLP, to provide legal services related to labor negotiations with city's collective bargaining units in an amount not to exceed \$45,000, which shall be payable from Fund 110-700-1407-5304 (general, transfers and other functions, miscellaneous.)

Resolution 12-0021 was adopted upon the following vote:

Yeas: Councilors Boyle, Fosle, Julsrud, Krause, Krug, Larson and President Hartman -- 7

Nays: Councilors Gardner and Stauber -- 2

Approved January 17, 2012

DON NESS, Mayor

- - -

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

Resolution 12-0031, setting legislative initiatives for the 2012 legislative session, was introduced by Councilor Gardner for discussion.

Councilor Julsrud moved to amend the resolution by adding the following language:

"(e) Other council priorities:

(1) Support funding from the public facilities authority drinking water revolving fund for projects like the replacement of the West Duluth reservoir drinking water storage facility roof,"

which motion was seconded for discussion.

Councilor Julsrud stated this would show the citizens that the city is putting the needs in front of the wants when applying for bonding money.

Councilor Stauber stated that the state only has so much money to bond, and the city needs to set its priorities and the resolution needs to show that the roof on the water tank is the top priority for the city.

Chief Administrative Officer David Montgomery reviewed that the state usually does not fund local water supply projects, so if the resolution lists the water tank roof as the city's top priority, it would be unlikely the city would receive any bonding money this year.

Councilor Julsrud's amendment carried upon a unanimous vote.

Councilor Stauber moved to amend the resolution by adding the following language:

"(2) Support legislation providing the city the ability to create a street light tax as a replacement for the current street light fee,"

which motion was seconded for discussion.

Councilor Stauber explained that if the street lighting fee is considered a tax, it is tax deductible for the residents.

Mr. Montgomery explained that if this fee is changed to a tax, the city would lose revenue from the tax exempt businesses which make up about four to five percent of the fee base.

Councilor Fosle stated it should remain a fee as you can explain to people what they are getting for this fee, and the amount of money citizens would get back on their taxes from an approximate \$40 a year tax would be negligible.

Councilor Stauber's amendment carried upon the following vote:

Yeas: Councilors Boyle, Gardner, Julsrud, Larson, Stauber and President Hartman -- 6

Nays: Councilors Fosle, Krause and Krug -- 3

Councilor Krause expressed his concern that with the limited resources the state has, the resolution lists too many projects that the city wants funding for, so the city will not get any projects.

Councilor Stauber moved that the amendment adding the water tank roof to the resolution be moved above Wade Stadium as a higher priority, which motion was seconded.

Councilor Stauber's amendment failed upon the following vote:

Yeas: Councilors Julsrud, Krause and Stauber -- 3

Nays: Councilors Boyle, Fosle, Gardner, Krug, Larson and President Hartman -- 6

Councilor Stauber moved to amend the resolution by removing item (d), "Support improving and strengthening current legislation banning the evolving use and sale of synthetic drugs," from the resolution. The motion failed for lack of a second.

Resolution 12-0031, as amended, was adopted as follows:

The city council finds as follows:

(a) The city administration and council wish to establish a clear set of legislative initiatives which the city supports in the 2012 legislative session;

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

(b) The city administration and council have devoted meeting time and discussion to the city legislative initiatives;

(c) The city administration and council choose to express support for legislative initiatives that are of vital interest to the community.

NOW, THEREFORE, BE IT RESOLVED, that city administration and elected officials express city support for the following projects of regional significance:

(a) Support for up to \$6 million in state bond proceeds for the Duluth Transit Authority multi-modal transportation facility;

(b) Support for up to \$4 million in state bond proceeds for the renovation of Wade Stadium;

(c) Support for bonding requests from the following agencies providing public infrastructure:

(1) Public facilities authority - wastewater infrastructure fund;

(2) Minnesota department of transportation - port development assistance;

(3) Minnesota housing finance agency - public housing rehabilitation;

(4) Minnesota housing finance agency - housing infrastructure bonds;

(5) Department of employment and economic development - innovative business infrastructure program;

(6) Department of employment and economic development - Greater Minnesota business development infrastructure;

(d) Support improving and strengthening current legislation banning the evolving use and sale of synthetic drugs;

(e) Other council priorities:

(1) Support funding from the public facilities authority drinking water revolving fund for projects like the replacement of the West Duluth reservoir drinking water storage facility roof;

(2) Support legislation providing the city the ability to create a street light tax as a replacement for the current street light fee.

Resolution 12-0031, as amended, was adopted upon the following vote:

Yeas: Councilors Boyle, Fosle, Gardner, Julsrud, Krause, Krug, Larson and President Hartman -- 8

Nays: Councilor Stauber -- 1

Approved January 17, 2012

DON NESS, Mayor

- - -

RESOLVED, that Contract No. C20886 with MSA Professional Services, Inc., for Highland pump station improvements and Highland one million gallon elevated water tank projects, be and is hereby amended for additional tasks performed, including additional inspection time due to construction duration, redesign of site piping, the addition of a SCADA building, antenna relocation and installation coordination, pump station retaining wall, lead remediation for the paint from the old towers, MCC rehabilitation design for West Duluth booster for Lakewood WTF lagoon sludge analysis in the estimated amount of \$106,350.83 for a new total of \$689,865.83, with \$31,030.53 payable from Water Bond Fund 511, Department 500, Object 5532, City Project No. 0765WA, and

PROCEEDINGS OF THE DULUTH CITY COUNCIL FOR 2012

\$75,320.30 payable from Fund 511, Department 500, Object 5532, City Project No. 0768WA (water bond fund, public works and utilities, capital improvements - bond).

Resolution 12-0010 was unanimously adopted.

Approved January 17, 2012

DON NESS, Mayor

- - -

INTRODUCTION AND CONSIDERATION OF ORDINANCES

The following entitled ordinances were read for the first time:

INTRODUCED BY COUNCILOR JULSRUD

12-001 - AN ORDINANCE AUTHORIZING ESTABLISHMENT OF FEES AND FINES BY RESOLUTION, AMENDING SECTIONS 31-1 AND 31-6 AND ADDING A NEW SECTION 31-8 OF THE DULUTH CITY CODE, 1959, AS AMENDED.

- - -

INTRODUCED BY COUNCILOR STAUBER

12-003 - AN ORDINANCE AUTHORIZING THE GRANT OF AN EASEMENT ALONG WITH THE DULUTH AIRPORT AUTHORITY, AS GRANTORS, IN FAVOR OF MINNESOTA POWER (LEGALLY INCORPORATED AS ALLETE) FOR UNDERGROUND ELECTRICAL UTILITY PURPOSES.

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The meeting was adjourned at 10:08 p.m.

MARTHA A. OSWALD, Assistant City Clerk, for
JEFFREY J. COX, City Clerk