

TOWN OF SILVER CREEK  
ANNUAL MEETING  
MARCH 13, 2018

The Annual Meeting of the Town of Silver Creek, in the County of Lake, and State of Minnesota, held in the Board Meeting Room at 1924 Town Road, on the 13<sup>th</sup> day of March 2018 was called to order at 8:15 p.m. by Town Clerk Alison Oftedahl.

Those present were:

Greg Hull	Dennis Moen	Jamie Pellman	Alison Oftedahl
Conrad Swanson	Allen Anderson	LeRoger Lind	Bruce Hanson
Albertine Ricard	Elizabeth Busa	Carol Ray	Tamela Tolzmann
Bill Stokinger	John Bathke	Dave Aultfather	Allyson Aultfather
Charles Voss	Jon Fogelberg	Nancy Mancini	

Nancy Mancini agreed to preside as Moderator after nomination by Hull followed by unanimous yeas vote. Mancini read the agenda. There were no requests to change the agenda.

Mancini then called for any corrections or additions to the minutes of the 2017 Annual Meeting that had been distributed prior to the start of the meeting. Hearing no corrections or additions, the minutes were accepted upon motion by Allen Anderson, second Albertine Ricard. Motion carried on unanimous yeas vote.

The Treasurer's Report was read by Jamie Pellman. Question was raised as to why the Sewer Enterprise Replacement fund had a negative balance and whether general Township funds would be taken to offset the balance. Hull explained that the Castle Danger Sewer Enterprise Fund is used for general operations and the Sewer Enterprise Replacement fund is used in cases of major equipment failure to finance repairs. Hull explained that the Sewer is a separate entity, and that general Township funds would not be used for sewer operations or repair. Finally he assured the group that the finances of this fund are not always negative and build back up with the collection of sewer revenues.

The moderator then directed attention back to the Treasurer's Report which was approved as written upon motion by Elizabeth Busa, second Allen Anderson. Motion carried unanimously.

Motion by Greg Hull, second Allen Anderson, to set the date and time of next year's Annual Meeting to March 12, 2019 at 8:15 p.m. and to set the location to the Board Meeting Room at 1924 Town Road; the same location as this year. Motion carried unanimously.

**Budget & Levy:**

The 2019 Budget detailed below was presented by Chairman Greg Hull. He added special explanation on the Stewart River Sewer Project. Although significant money has been spent in the last 10 years on this project, and Supervisor Mike Hoops is lobbying at the Capitol right now, the Stewart River budget and levy have been zeroed out to avoid taxing the entire township for a project that only affects residents in the Stewart River area.

<b><u>BUDGET:</u></b>	<b><u>2019</u></b>	<b><u>2018</u></b>
General	\$77,950	\$79,650
Road & Bridge	\$293,500	\$272,000
Road Enhancement	\$20,000	\$20,000
Building	\$16,750	\$16,750
Fire	\$45,000	\$40,000
Cemetery	\$6,000	\$4,200
General Debt Service	<u>\$40,000</u>	<u>\$55,600</u>
Township Sub Total	\$499,200	\$488,200
CD Sewer Debt Service	\$107,500	\$107,500
CD Sewer Enterprise	\$101,600	\$83,750
CD Sewer Replace	<u>\$33,400</u>	<u>\$20,000</u>
Total CD Sewer	\$242,500	\$211,250

SR Sewer	\$0	\$30,000
<b>TOTAL BUDGET</b>	<b>\$741,700</b>	<b>\$729,450</b>
<b>LEVY:</b>	<b>2019</b>	<b>2018</b>
General	\$45,000	\$45,000
Road & Bridge	\$165,000	\$173,000
Road Enhancement	\$17,500	\$17,500
Building	\$20,000	\$21,000
Fire	\$25,000	\$17,500
Cemetery	\$1,500	0
General Debt Service	\$56,000	\$56,000
Stewart River SSD	\$0	\$30,000
Township Sub Total	\$330,000	\$360,000
CD Sewer Taxes	\$5,714	\$5714
TOTAL LEVY	\$335,714	\$365,714
Other anticipated Income	\$75,000	
Sewer Assessments	\$0	\$131,500
Sewer User Fees	\$135,000	\$113,237
TOTAL SEWER	\$135,000	\$244,737
<b>TOTAL INCOME</b>	<b>\$545,714</b>	<b>\$610,451</b>

Hull then presented a levy down almost 10% from 2018. This is possible due to other anticipated income, primarily Taconite Production tax revenue.

LeRoger Lind then requested details on the problems with the Castle Danger sewer this year. Hull indicated that there was a lot of work done on the Number 1 Lift Station.

Tamela Tolzmann then read a list of questions she had prepared regarding expenditures and decisions made by the Board in 2017. Hull responded that each question would be answered at the appropriate place in the agenda, either in the Chairman's Report or in the Old or New Business. Moderator Mancini then steered the group's discussion back to the Budget and Levy for 2019.

The 2019 Budget and Levy above were then approved upon motion by LeRoger Lind, second Bill Stokinger and unanimous yea vote.

#### REPORTS:

##### **2017 Chairman's Report: Greg Hull**

Chairman Greg Hull deemed 2017 "a bit of a hectic year" and began his report with explanation of personnel changes and then discussed the year's accomplishments.

- In March, Clerk Krysty Pirsig resigned. Wendy Langanki came out of retirement to serve as interim Clerk. Wendy spent much of the summer training Alison Oftedahl as the new Clerk. Hull noted that the job of Clerk is a significant job with many tasks.
- In May, Road Foreman Eric Warnecke resigned with short notice. Larry Guentzel who was serving as Township Supervisor and part-time truck driver at the time, offered to fill the Step-up Road Foreman position. In order to avoid a conflict of interest, Guentzel chose to step down from his Board Supervisor position. Hull was then asked to fill that vacancy.
- In August, the Board decided to create a new employment position that would combine the old Road Foreman with Licensed Sewer Operator. Current licensed Sewer Operator Mike Hoops plans to retire as soon as a new employee obtains the license. The new position called *Town Operations and Facilities Manager* was posted in the newspaper and online for several weeks. At the time, no current employees of the Township applied for the position. After interviewing several candidates, the board hired Conrad Swanson. He is currently working to obtain his Class C Sewer license – a process that takes 3 years.
- Allen Anderson was hired later in the fall as an "on-call as needed" snow plow operator. At least one seasonal operator will need to be hired for the coming summer for road and ditching work.

- In response to questions about excessive raises for hourly associates, Hull noted that total labor force costs have been reduced in the last year by not employing as many part time equipment operators. And he explained a resolution that was made about 8 years ago to issue a “Cost of Living” raise to Township employees each January, in the amount of the federally reported inflation rate. The intent of the COLA Resolution was to correct the situation in which employees worked for many years with no wage increase at all. Hull did confirm that yes, all hourly employees received a 2% raise this January. When pressed in regard to a raise granted to Ken Langanke, Hull responded that Langanke had really stepped up to help the township when Warnecke departed with short notice. Last fall, as an expression of the Township’s gratitude, a raise was issued and made approximately 1 month retroactive. The raise was issued after Langanke’s retirement; he is not currently working for the township.

Hull then reviewed projects of note in 2017:

- All building projects that were started in 2015, were completed this year. A new roof was installed on the Pavilion that was very appreciated by the Ukulele Festival attendees.
- The back of the chapel was repaired.
- The Board Meeting Room and office floors were coated and new furniture was purchased and installed. 100 chairs for the meeting room were donated by First Baptist Church in Two Harbors.
- A large cold storage building out back was finished.
- With regard to the pavilion, a lot of positive feedback has been received from the public. The pavilion generated about \$3200 in income from rentals and winter storage. A number of inquiries have been received about hosting events at the Pavilion.
- Supervisor Denny Moen has been working on the cemetery directory to go in the cemetery kiosk.
- 30 acres of land was purchased from the County south of the shop and cemetery on the S curve of Highway 3.
- An inaccessible 1.5 acre parcel of land owned by the Township was sold to a nearby land owner for a fair price to make their acreage into a conforming parcel.
- Township property between the Cedar Road and the Fairgrounds will be developed by the Ski Club into a trail network for fat bike and cross country skiing.
- A very small amount of land at the end of the East Castle Danger Road was purchased by the Township to increase the turn-around for trucks and heavy equipment.
- The Township is working towards either purchase or development of tax forfeit acres that were originally planned to be the Gooseberry Village on the northwest side of Gooseberry Park. The Township has an interest in this property because our sewer was sized on the assumption that that development would take place. A group of investors has indicated their interest in this project. The Township is also working with Lake County on the potential of purchasing this property for resale to recoup the taxes and assessments that were lost when the Gooseberry Village went tax forfeit.
  - A question was raised by LeRoger Lind about the amount of flow that can be handled by the Castle Danger sewer system. Hull assured the group that the system has plenty of capacity for both a new Gooseberry Village resort and any new residential homes that are built. And, should it ever be necessary, another pond could be developed.
- In response to questions raised about the purpose of the Committee of the Whole Meetings, Hull explained that these are necessary to avoid a violation of the Open Meeting Law and to provide time for discussion, time for research, and to avoid spur-of-the-moment decisions. The same agenda of issues is used for the COW and the regular meeting. Decisions and actions are made only in the regular meeting.
- A fence planned to run behind the Pavilion out to Highway 3 was challenged as an unnecessary expense. Because all materials and labor for this fence are being donated by the Supervisors, the expense is minimal. The fence will provide a nice boundary for events being conducted at the Pavilion and Town Hall.
- In response to questions raised about the response time of the Township Attorney. Hull noted that Conrow’s rates were lower than other attorneys and that he has always responded with urgency when the matter required it.
- In response to a question about whether land could be purchased for more parking behind the Pavilion, it was noted that Sippers have not responded to set a price or to confirm any desire to sell.

### **2017 Town Operations Report – Conrad Swanson**

Town Operations and Facilities Manager Conrad Swanson introduced himself as a “greenhorn” since he has been with the Township only since September. He previously worked for North Shore Mining for 8 years running trains and working in the plant; before that driving truck for 5 years; and before that worked as a diesel mechanic for 6 years. He and his family have lived in Lake County for 20 years.

- In 2017 the road crew kept up on grading as needed; and it needed to be done more often than usual due to the high volume of rain we received last year.
- A major breakdown of the grader, really hindered grading operations in September and October because there was no other equipment to grade the roads. It was hauled down to Zeigler, and the transmission and differential were both completely rebuilt.
- Approximately 325 yards of gravel was hauled and spread on roads.
- 9 culverts were replaced.
- 9500 gallons of Dust Control was applied to roads.
- Various roads received ditching to improve drainage.
- The turnaround at the end of East Castle Danger was expanded.
- A John Deere Skidsteer was purchased by the Township to aid with smaller jobs that the other equipment is too big to handle.
- A brush cutting attachment for the skidsteer is being considered. Currently we rent one for approximately \$6000 for about a week and a half. This time constraint results in a sloppy job being done. Having our own mower would make it easier.
- Various roads need to be ditched and damaged culverts will be replaced.
- 4 or 5 of the smaller roads are overgrown with brush and so de-limbing will need to be done this summer to widen them.
- The cemetery roads will be worked on this summer to eliminate roots. Dead branches will also be removed from trees in the cemetery.

### **Two Harbors Fire Department Report – Mark Schlangen**

Because Schlangen was not able to attend in person, Clerk Oftedahl read his emailed report summarized below.

- Two Harbors Fire Department continues to have a full roster of 23 firefighters. We are very fortunate to have supportive families, employers, and community that allow these firefighters to respond to emergencies at any moment.
- A large item coming up in 2018 will be the replacement of our number 1 engine (1993 Ford). This replacement will come at a time that coincides with the completion of payments for the last apparatus replacement. Therefore, it should not result in a significant change in the fire budget. Final cost should be known by Sept. of 2018 with payments not beginning until 2019.

Old Business: None

New Business:

- Un canvassed Election Results: Supervisor – Gregory Hull 33 votes, Clerk – Alison Oftedahl 33 votes.

There being no further business, the meeting recessed at 9:36 p.m. upon motion by Anderson, second Fogelberg. Motion carried unanimously. The meeting will reconvene Tuesday August 21, 2018 at 7:00 p.m.

Respectfully submitted,  
Alison Oftedahl, Clerk