

Council Chambers
Ely, Minnesota
Tuesday, March 3, 2009
6:30 P.M. Regular Meeting
Ely City Council

Regular meeting of the Ely City Council was called to order at 6:30 P.M. by Mayor Roger J. Skraba.

PRESENT: Council members Nikkola, Omerza, Salerno, Sheddy, Zupec, Mayor Skraba (6)

ABSENT: Council member Debeltz (1)

Council member Zupec reported that Council member Debeltz had cataract surgery today and that is the reason for his absence.

Moved by Salerno supported by Zupec, that the minutes of the regular council meeting of February 17th and special joint meeting between the Ely City Council and Ely School Board be approved without reading. Carried unanimously. Minutes to stand as recorded.

The following additions were requested to be added to tonight's agenda:

1. Council member Sheddy – official approval needs to be granted to Ely Community Resource's request to have fees waived for Art Auction to be held at the Ely Community Center, April 24, 2009 (this item will be added under Old Business, Item B. on tonight's agenda);
2. Council member Nikkola – Council action required to allow the storefront renovation program to be placed under the auspices of the EEDA;
3. Mayor Skraba – meeting with Ferrelgas regarding fire service;
4. Communication from Dee's Bar – The Next Generation, requesting a Sunday Liquor License (to be listed under Consent Agenda Items, #7 – referred to City Liquor Committee)

Moved by Zupec supported by Sheddy, that above additions to tonight's agenda be approved. Carried unanimously.

Mayor Skraba that on February 3, 2009, the Ely City Council performed a six-month probationary performance evaluation of Clerk-Treasurer Terri Boese. Present were Council Members Sheddy, Nikkola, Debeltz, Omerza, Zupec, and Mayor Skraba. (Based on Council Member Salerno's short time in working with Terri, he declined from evaluating her performance and therefore was not in attendance.) At this time, the results of the evaluation were satisfactory and Ms. Boese will continue as our City Clerk-Treasurer. An annual performance review will be conducted after September 1, 2009. Matter of information.

Mayor Skraba reported that on March 3rd, per request of Ferrell gas, Fire Chief Gerzin, Len Cersine, Mary Tome, Jim Halberg and he had met, to discuss Ferrell gas' concerns for fire protection safety at their structure on the West End of Ely, which is located in the Town of Morse. Town of Morse chose not to enter into an agreement for fire protection services with the City of Ely for 2009, due to creating their own fire department with Fall Lake Township. Mayor Skraba noted that he gave Ferrell gas two options at this time;

1. request to be annexed into the City of Ely
2. work on separate individual contract with City of Ely

Mayor Skraba noted that the main issue was Ferrellgas' headquarters requiring an emergency plan to be in place for structure located in Ely. He polled Council members as to the possibility of the City working out a separate agreement for fire protection with Ferrellgas. Council member Nikkola commented that he is opposed to this method, as it would open the door for businesses one by one that are not located in the City of Ely, to request they be given the same consideration. He recommended that the Council go forward with the annexation agreement in place – giving Ferrellgas a contract that will last through the fruition of the annexation process. City Attorney Kelly Klun cautioned the Council that this is a slippery slope but that if Ferrellgas would petition for annexation, this would speed the project up. Moved by Nikkola supported by Zupec, that the City Attorney and Clerk-Treasurer be directed to contact Ferrellgas, advising them that the City agrees to give them a fire protection service contract when the City receives their letter requesting annexation, with term of contract to cover time period it takes for the actual annexation process to take place. Carried unanimously.

The following consent agenda items were brought before the Council for approval:

1. Residential Waste Disposal Contract – City of Ely – G-Men Inc. * current contract expires May 31, 2009 (to be referred to City Sanitation Committee members to begin negotiation process);
2. EUC – recommendation to call for proposals for Master Electrician – April 1, 2009 – April 1, 2010;
3. LMC – 2009 Safety and Loss Control Workshop, April 30th, Biwabik
(Mayor/Council/City Department Heads and/or designee authorized to attend)
 - make reservations w/Deputy Clerk by April 17th;
4. Lease agreement between City of Ely and ISD #696 re: rental space at former city garage – December 2008 – March 2009 – (Mayor and Clerk-Treasurer authorized to execute on behalf of the City of Ely);
5. Scheduling of Special Ely City Council Budget Meeting, Tuesday, March 10th, 6:00 P.M. City Hall Board Room; Scheduling of Special Ely City Council Joint Meeting with Ely Police Commission, Tuesday, March 10th, 7:00 P.M. Board Room;
6. 2009 Local Board of Appeal and Equalization Meeting – Ely – April 30th, 5:00 P.M. – 6:00 P.M. Ely City Hall (training session – Wednesday, March 18th, Cotton Town Hall – 5:30 P.M. – 8:30 P.M. * Council members to make reservations with Deputy Clerk prior to Monday, March 9th;

7. Communication from Dee's Bar – The Next Generation, requesting a Sunday On Sale Liquor License (to be referred to City Liquor Committee to address and make recommendation to Council)

Moved by Salerno supported by Sheddy, that above items be approved and ordered filed. Carried unanimously.

Council member Sheddy requested placement on tonight's agenda on behalf of the Ely Rotary, requesting project clarification from the City, on proposed pavilion, East side of Whiteside Park, South of current walking path, that was discussed at the last regular council meeting. He noted that the Ely Rotary has now narrowed dollars available down, to four project requests, and the group would like to know that if this particular City project was approved, the Council is behind the project. The pavilion they are envisioning would be similar to the current existing log structures in the park, but would be able to be utilized year round. The Ely Rotary would then mount a plaque on existing structure noting that pavilion was donated by the Ely Rotary Club.

Council member Omerza noted some concerns on behalf of the City Parks and Recreation Board, being that people are concerned about leaving this area as green space. Mayor Skraba requested that more formal information be given members of the City Parks and Recreation Board such as formal drawings, proposed dimensions of structure, and exactly where proposed pavilion would be located.

Council member Zupec encouraged the Ely Rotary Club to look at existing pavilion roof repair at Semer's Park and also repair of bridges in that area. City Operations Director suggested that Ely Rotary Club also look at playground equipment that is needed at both Semer's and Whiteside Park.

Council member Omerza suggested that Council member Sheddy get back with the Ely Rotary Club for specific information requested, and that if need be, there could be a special meeting of the City Parks and Recreation Board scheduled in March to address the request.

Mike Jankovec, President, Boundary Waters Blues Festival Inc. requested placement on tonight's agenda requesting Council approval in using the Hidden Valley Recreation Facility for the 2009 festival, which is taking place July 30th – August 1st. He will need one week set up time prior to event for the setting up the staging and sound equipment for the festival. The Boundary Waters Blues Festival had its inception in 2001, and according to the Chamber of Commerce, is the second largest event in Ely. Mike wants to keep the festival here in Ely. Mayor Skraba informed the Council that he has been in contact with Mike Magnuson of the State of Minnesota DNR as to the request to hold this event at the Hidden Valley Recreation Area, and that the DNR will require approval from the City of Ely for this event. (The City currently leases this property from the DNR).

Council member Nikkola recommended that the City work with the Ely Nordic Association as to this request, as the City will need a firm commitment from the ENA. Council member Omerza, City Operations Director and himself will be meeting with the ENA Buildings Committee Group at the end of March, noting that the City needs to look at ENA approval prior to the end of March. Council member Sheddy also suggested the old city dump site as an alternate site.

Council member Nikkola recommended that the Council direct Clerk-Treasurer Boese to set up a meeting between Council member Omerza, City Operations Director Langowski and himself, and members of the Ely Nordic Association, to discuss request from Mike Jankovec, with meeting to take place prior to the next Council meeting.

Council members were all in agreement of this project moving forward, with insurance, fees, and alcohol sales needing to be addressed with proper parties, also.

This item will be placed on the next regular Ely City Council meeting agenda.

Council member Sheddy reported on behalf of the February 19th Ely Planning and Zoning Commission Meeting; due to the Council decreasing the number of Council members serving on the Commission from three to two, there is now an opening on the Commission for a member of the general public. Geraldine Koschak had applied for a posted vacancy position when advertised earlier this year, but was not considered due to the lateness of her application. The Commission is recommending that she be appointed to this vacancy on the Ely Planning and Zoning Commission, with term running through January 31, 2012. Moved by Sheddy supported by Salerno, that recommendation be approved.

Carried unanimously.

Council member Omerza reported that the Telecommunications Advisory Board had met on March 2nd: Board is in the process of working on proposals with technology issues; also working on new contract with ELY TV for public access; working with Charter/Midcontinent on cable service transition in Ely. Matter of information.

Council member Omerza reported that the City Parks and Recreation Board met on March 2nd: the warming house at the 11th Avenue Skating Facility is open; the Ely School has loaned the facility wooden benches that were made in the early 1990's by the shop classes. Matter of information.

Council member Omerza reported that the EADA (Board of 30) and Executive Board had met and approved of a resolution in support of mining and economic development in our area. The Board is currently working on support system for local businesses. Matter of information.

Council member Omerza reported on behalf of the Ely Public Library Board: The Ely Public Library was one of just eight libraries in Minnesota to be named a "Star Library" and cited for exemplary public service by Library Journal, the publication of the American Library Association. Only 256 libraries out of 7,115 reviewed nation wide, received star ratings. Criteria included program attendance, computer use, library visits and circulation on a per capital basis. Moved by Sheddy supported by Zupec, that the City of Ely send a letter of congratulations to City Librarian Rachel Heinrich, for this prestigious award. Carried unanimously.

Council member Nikkola recommended that the Ely City Council go on record officially relinquishing control of the Ely Rehab/Storefront Renovation Loan Program from the Ely

City Council to the Ely Economic Development Authority (EEDA) retaining the same appointed committee members as committee now has.

Moved by Nikkola supported by Salerno, that recommendation be approved.

Council member Nikkola noted that the EEDA is an enterprise fund and these monies would not be able to be used for anything creative if held strictly under the Council.

Council member Zupec stated that he feels the program should be left as is, as this program has been run very successfully over the years, and he has concerns of allowing program to be moved over under direction of the EEDA.

YES: Council members Nikkola, Omerza, Salerno, Sheddy, Mayor Skraba (5)

NO: Council member Zupec (1)

ABSENT: Council member Debeltz (1)

Motion carried.

Mayor Skraba reported that Fire Chief Gerzin, City Attorney Klun, City Clerk-Treasurer Terri Boese and himself had met with representatives from Stony Township and City of Winton, regarding the 2009 fire protection service agreements. The contracts will be brought before respective bodies and returned to the City of Ely for review and approval at the next regular council meeting. Matter of information.

Mayor Skraba also reported that Tony Mancuso, St. Louis County, will be in Ely on Friday, March 13th to meet with St. Louis County Departments; recommended that the City Buildings Facility Group try to schedule a meeting with Tony also – Mayor Skraba will inform Buildings Facility Group member Harold Langowski of a potential meeting time to take place that day.

Mayor Skraba brought up a notification he had received on the Minnesota Mayor's Conference to be held in Chaska, Minnesota in May. He noted that there is much good information exchanged at these Mayor's Meetings, and will be providing Council members with further information for the next regular council meeting agenda.

City Librarian Rachel Heinrich also reported on the award received by the Ely Public Library: Ely's library was named and nationally recognized as a "Star Library", receiving three star rating. According to Librarian Heinrich there were 77,886 visits last year to the public library from individuals, which is incredible for a small library. Council members again applauded the efforts of the staff of the Ely Public Library.

Police Chief Manning reported that at the last Study Session, information on the Ely Police Department was requested, and that he has placed a handout in each Council member's mail slots. If Council members have any questions, please contact Police Chief Manning.

City Attorney Kelly Klun requested placement on tonight's agenda regarding her February 26, 2009 communication regarding the Ely Police Commission. She has reviewed the issues surrounding the structure of the current Police Commission, citing the current state statute verses the current city ordinance. She noted that at this point, the language in the ordinance appears to be contradictory. Attorney Klun copied Council

members a section from the City of Hastings Code, as Hastings is a home rule charter. Hastings has specifically outlined the duties and rules of the commission instead of incorporating them via the statute. Attorney Klun is recommending that in the best interest of the City, the language of the current city code be changed, governing the Police Commission. Specifically, she recommended that it be best to outline the rules and duties for the commission, rather than including the statute. She is requesting guidance from the council as to whether or not a three member or five member commission would be acceptable to the Council, given that we are governed by home rule charter; also duties the Council feels the Commission should be charged with carrying out. Mayor Skraba noted that in the past it had been Council intent to go with a five member commission, as it was a more diverse group than three with the Commission handling disciplinary issues within the department, with the Council charged with the hiring and firing of employees (per recommendation of the Commission) – Mayor Skraba feels the elected officials are accountable to the tax payer, therefore should be in charge of the final hiring or firing of an employee. Council member Nikkola commented that the Council should go to the Commission for advice when needed. Council member Sheddy also suggested that current members of the Ely Police Commission be given a copy of the Attorney’s February 26th communication to also weigh in with any suggestions they may have to be discussed at the Tuesday, March 10th Joint Meeting. He would like to see the Council retain budgetary control over the department. Mayor Skraba recommended that Council members remit their thoughts and ideas on how they would like to see the Ely Police Commission structured, to the City Attorney or to bring with to the March 10th Joint Meeting. Matter of information.

City Attorney Klun reported on the 2009 Fire Protection Agreements with the City of Winton and Stony Township. Representatives from these groups had met with the City Attorney, Fire Chief Gerzin, Clerk-Treasurer Boese and Mayor Skraba on February 26th, coming forth with proposed draft contracts that will be brought up to each individual unit of government to consideration and approval. These agreements will be placed for official Council approval on the March 17th regular city council meeting agenda. Matter of information.

Clerk-Treasurer Boese requested Council approval of City and EUC Bills and payroll for February 2009, totaling: (\$445,231.67 and \$585,804.55 respectively). After questioning claims for payment from St. Louis County (pertaining to the sand and sale storage shed, Ely Police Department Towing and Animal Pound billings, Lake Country Power billings, Boundary Waters Bank (charge was for processing Rehab/Storefront Loan payments) , it was Moved by Zupec supported by Sheddy, that above bills and payroll be allowed and paid. Carried unanimously.

Clerk-Treasurer Boese reported she had sat in on a telephone conference pertaining to LMC Budget Crisis Webinar and How Federal Stimulus Package will Affect MN Cities. Matter of information.

Clerk-Treasurer Boese recommended that the Council implement a “spending freeze” for all city departments, putting on hold anything that does not have to be purchased at this

time. Council member Zupec agreed noting that it is vital that the City Council do this – that this action should have taken place back in January and by implementing this spending freeze the City is sending a good message to the community. Mayor Skraba stated that he would like to have “defined” better, exactly what is meant by a spending freeze, and he feels this matter should be discussed at the March 10th Special City Council Budget Meeting. City Operations Director Langowski reported that his departments have been looking at a spending freeze already, purchasing only items absolutely necessary at this time. Council member Omerza also agreed with implementing a spending freeze, noting that on a daily basis she is hearing from members of the public as to when is the City Council going to come up with something to address current financial matters – the problem is real and the Council is working towards a solution. She feels the Council needs to officially state what it plans on doing to address current financial forecast from the State for “public perception and confidence.” Clerk-Treasurer Boese reported that she had met with all department heads on March 2nd, looking at individual cuts that can be made in city departments, and will compile this information for Council review. Council members requested that this information be distributed to them prior to the Tuesday, March 10th Special Ely City Council Budget Meeting.

City Operations Director reported on the results of the City advertising for a motor grade for the public works department; One bid was received, that from Ziegler Inc. in the amount of \$102,240.00 (including tax); quoting a trade in of \$16,250.00 for Caterpillar 120G. He is recommending that the City approve bid from Ziegler Inc. in the amount of \$102,240.00, and not trading the Caterpillar 120G at this time, due to trade in amount received is under posted minimum bid. Moved by Nikkola supported by Sheddy, that recommendation be approved. Carried unanimously.

The following EUC consent agenda items were brought before the Council for approval:

1. Authorized the Operations Director, Infrastructure Foreman and any Commissioner to attend the LMCIT Loss Control Workshop in Biwabik on April 30, 2009;
2. Authorized Steve Krtinich and Terry Jackson (per his contract) to attend the 2009 Wastewater Operators Training in Brooklyn Park on March 25th – 27th, 2009);
3. Authorized Butch Gornik to attend the 2009 Electrical Expo in Grand Rapids on March 19th – 20th, 2009

Moved by Sheddy supported by Salerno, that above items be approved and ordered filed. Carried unanimously.

Communication was received from Barbara A. Mathews, notifying the Ely City Council that she will be retiring from her position as Administrative Assistant in the Ely Police Department, effective May 31, 2009, with her last scheduled working day being March 20, 2009, as she will be taking accumulated vacation time which will extend through May 31, 2009. She thanked the citizens of Ely, present and former city employees and council members for helping make her nearly 30 years of employment with the City a rewarding experience. Moved by Salerno supported by Nikkola, that letter of retirement is

approved, with the City of Ely sending a letter of appreciation to Barb Mathews for her years of service to the Ely community. Carried unanimously.

Claims for payment were received on the following:

- A. Northeast Technical Services Inc. – Parcel 3, Industrial Park, January 2009 - \$4,457.50
- B. TKDA –
 - 1. Professional services 2009 Capital Improvement Program – Crack Repair – Part A - \$2,500.00;
 - 2. Professional services 2009 Capital Improvement Program – Crack Repair – Part B - \$5,767.76
- C. MN Department of Public Safety – 2009 Consumption and Display Permits for Ely Community Center; Miner’s Dry Building; Semer’s Park Pavilion - \$250.00 each;
- D. IRRRA – Loan 165-121 – Renovate Revenue Building for SATO - \$28,144.43;
- E. US Bank – Ely General Obligation Crossover Refunding Bond of 2003 - \$54,810.00 (due April 1st);
- F. St. Louis County:
 - 1. 2008 TIF - \$1,081.90
 - 2. 2009 TIF - \$1,125.10

Moved by Salerno supported by Shedly, that above items be approved and ordered filed. Carried unanimously.

Moved by Omerza supported by Salerno, that the Ely City Council dispense with the readings in their entirety, of all ordinances and resolutions on tonight’s agenda. Carried unanimously.

Discussion was held regarding the scheduling of an Ely City Council Retreat, to discuss current budgetary issues and future goal planning for the City. Mayor Skraba suggested that the Council schedule this meeting on Saturday, March 21, 2009, from 9:00 A.M. – 5:00 P.M. He is requesting that Clerk-Treasurer Boese arrange to have accounting consultant Mary Lee Erickson present, to go over budgetary issues with the Council. Mayor Skraba will also be contacting EADA Executive Director Nancy Larson, to see if she would be willing to facilitate the goal planning segment of the retreat. All council members present concurred with above suggestions from Mayor Skraba; with Mayor volunteering to check with Council member Debeltz as to his availability on this date. Mayor Skraba noted that possible location sites for the Council Retreat are: Hidden Valley Chalet, Conference Room at the Joint Maintenance Facility, or USFS Building Meeting Room; he also noted that he has been in contact with Denise Jordan from the GEL who has offered a meeting room at that location also, at no charge to the City. Mayor Skraba will be scheduling the meeting location and informing Council members and the general public, of this site.

Moved by Shedly supported by Zupec, that all fees involved with the Ely Community Resource Art Auction Fundraiser scheduled at the Ely Community Center on April 24th, be waived. Carried unanimously.

Moved by Salerno supported by Sheddy, that St. Louis County Board be authorized to meet at Semer's Park Pavilion on Tuesday, June 23, 2009. Carried unanimously.

Moved by Salerno supported by Omerza that approval be granted for the following 2008 Designated Funds:

Designated for Street Repair #101-24404	120,000.00
Reserved – Cafeteria Plan #101-24406	8,669.76
Designated for Disposition of Forfeited Property #101-24407	11,947.15
Designated for Fireworks #101-24408	6,123.48
Designated for C.C. Painting #101-24409	3,811.00
Designated for Cemetery Beautification #101-24410	29,842.40
Designated for Capital Projects #101-24413	200,000.00
Designated for Spaulding Improvements #101-24414	106,022.50
TOTAL:	\$486,416.29

Carried unanimously.

TKDA – Supplemental Authorization No. 1 – 2009 CIP – Crack Repair, Ely Municipal Airport - \$14,300.00 was presented for approval with Mayor and Clerk-Treasurer authorized to execute on behalf of the City of Ely. Moved by Nikkola supported by Zupec that approval be granted contingent upon approval by the Ely Airport Commission. Carried unanimously.

Council member Zupec offered the following resolution: 2009-9

WHEREAS: Knights of Columbus, Babbitt/Ely/Tower Council 3238, 1012 East Harvey Street, Ely, Minnesota has applied for a Minnesota Lawful Gambling Application to conduct a BINGO on Sunday, March 29, 2009, at the St. Anthony's Catholic Church Hall, 231 East Camp Street, Ely, Minnesota 55731,

NOW, THEREFORE BE IT RESOLVED: That the City of Ely approves of said application and that the Knights of Columbus, Council 3238, be authorized to submit the necessary paperwork to the State of Minnesota, Department of Gaming, Gambling Control Division.

Motion for the adoption of the foregoing resolution was made by Council member Zupec, seconded by Council member Omerza, and declared carried on the following vote:

YES: Council members Nikkola, Omerza, Salerno, Sheddy, Zupec, Mayor Skraba (6)

NO: None (0)

ABSENT: Council member Debeltz (1)

Adopted this 3rd day of March 2009.

Clerk-Treasurer Boese reported that the City of Ely had advertised for interested residents to serve on a Citizens' Budgetary Task Force, and that there were no applications received as of this date. Matter of information.

PUBLIC COMMENT: There were no members in tonight's audience that wished to address the Council.

Mayor Skraba displayed a copper object from the Polymet area that was done in year 2002. He noted that he will continue to bring this copper object with him to all council meetings. He referenced a recent editorial in the Duluth News Tribune, encouraging people to educate themselves on the mining issues.

Moved by Salerno supported by Omerza, that tonight's meeting adjourn.
Carried unanimously. Adjournment at 8:10 P.M.

Patricia M. Wellvang
Deputy Clerk
City of Ely