

## **Ely City Council Special Meeting September 8, 2009**

The Ely City Council special meeting was called to order by Mayor Skraba at 6:00 p.m. on September 8, 2009 at the Ely City Hall.

PRESENT: Council members Debeltz, Nikkola, Omerza, Salerno, Sheddy, Zupec, and Mayor Skraba  
ABSENT: None

The purpose of the meeting was to review and certify the preliminary general fund levy for 2010.

Mayor Skraba stated that Council will review the amended 2009 budget at their next meeting.

Clerk Boese presented the proposed 2010 general fund budget and the following budget recommendations for discussion from the budget committee meeting.

1. Levy for the loss of LGA & MVHC in the amount of \$133,480 for 2008 (outside levy limit)
2. Levy for the loss of LGA & MVHC in the amount of \$77,902 for 2009 (outside levy limit)
3. Levy minimum local support to library as required by MN Dept of Education for 2010 \$209,556 This would result in cutting services as proposed funding request for 2010 is \$238,500

NOTE:

Current support from other governmental units is as follows: \$1,200 Fall Lake Township; \$750 Eagles Nest Township; \$10,000 Morse Township; and \$1,000 City of Winton.

4. Change Fire Chief Position to PT or Volunteer
5. Change P&Z Admin position to PT with Police Dept being responsible for chalking personnel
6. Eliminate P& Z Admin position with duties being absorbed by other departments, i.e. Police Dept responsible for chalking personnel, Clerk's Dept responsible for Admin and Website, Public Works Dept responsible for tree/grass issues
7. Contract with new Building Official to provide office hours
8. Contract with Nancy Larson directly and apply for matching grant funds through EEDA

NOTE:

Current funding for EADA is as follows: \$50,000 City of Ely; \$28,623.44 Morse Township; \$4,388.48 City of Winton; \$1,300 SD 696; \$1,000 VCC; \$1,000 Chamber of Commerce; and \$1,000 City of Babbitt

9. Review who holds insurance for EADA Joint Powers and is the city covered

10. Bond for \$200,000 for fire department vehicle and/or equipment which would include the \$75,000 previously approved for bonding by the council for the Quint truck that was purchased last month
11. Request the Airport Commission present a 2009 balanced budget
12. Request the Airport Commission present a 2010 balanced budget
13. Request monthly operator statements from Jim Preblich

NOTE:

- The monthly statements from Jan-Aug, 2009 for Fuel & Maintenance are attached
14. Request a joint meeting with the Airport Commission
  15. Discuss the creation of an Airport Authority Board with the Airport Commission
  16. Request a meeting with Commissioner Forsman and Kurt Soderberg of St. Louis County to discuss recycling costs and options

NOTE:

- Current funding received for recycling for other governments is \$2,180
17. Discuss sales price for the old city garage property
  18. Request accounting for softball tournament proceeds & expenditures

Item 1. Discussion of levy for the loss of LGA & MVHC in the amount of \$133,480 for 2008 (outside levy limit). Council member Omerza will ask subcommittees at the League if there will be any consequences to the city for levying for the LGA unallotments.

Moved by Nikkola supported by Salerno to approve levying the 2008 unallotment of LGA & MVHC in the amount of \$133,480 (outside levy limit). Motion carried unanimously.

Item 2. No action taken to levy for the loss of LGA & MVHC in the amount of \$77,902 for 2009 unallotment.

Item 3. Levy minimum local support to library as required by MN Dept of Education for 2010 in the amount of \$209,556. Librarian Heinrich stated this would result in cutting services if the library budget is not fully funded as proposed for 2010 in the amount of \$238,500. Debeltz suggested asking joint powers for more financial help as library is serving an area outside of the city. Sheddy also mentioned resulting inequity. Rachel Heinrich stated the need to ask now for 2011 since the 2010 township budgets were completed in March, 2009. The contributions are as follows from the townships: Morse 20%, Fall Lake 11%. The City's contributions are 50%. Council member Nikkola stated with current staffing at the library closing one day per week would not solve any budget issues.

Item 4. The Council directed Clerk Boese to provide fire department budget figures for the Fire Chief Position as a volunteer and part time: 20 hours a week and 32 hours a week. The potential of a fire district with adjoining townships was discussed. This should be an item for discussion when the city meets with the Morse Township supervisors. The budget committee is recommending additional funding for the 2010 budget for fire trucks and equipment as shown under Item #10.

Items 5 & 6. The council discussed changing the P&Z Administrator position to PT with Police Department being responsible for chalking personnel; eliminating P&Z Administrator position with duties being absorbed by other departments; and contract with new Building Official to provide office hours to cover some of the admin duties. This position is being funded out of building permits and should be self supporting. The option of having a VCC Police program student chalking tires through the summer program was also discussed. The TAB committee will review contracting out website administration with the additional day to day duties being completed by personnel in the clerk's office.

Item 7. Preliminary discussion was to contract on a percent basis with a Building Inspector. Moved by Shedly supported by Zupec to contract with a building inspector and a plumbing inspector as independent contractors beginning 1/1/2010. Mayor Skraba and Council member Shedly were authorized to draft RFP's for building and plumbing inspectors. Motion carried unanimously.

Item 8. The option of contracting with Nancy Larson directly and applying for matching grant funds through EADA was discussed. Council member Nikkola explained that when the city receives money from Joint Powers approximately 65% has been contributed by the city initially to Joint Powers. Mayor Skraba stated that there is a benefit to having a Joint Powers Agreement when applying for grant monies through IRR as in the past when the city applied for a grant for the airport. Council member Shedly feels the city should continue working with Joint Powers to facilitate discussion with the townships on future projects. Council member Zupec stated the city needs to review how it does business in every area not just Joint Powers. He suggested the city hire Nancy Larson through EEDA to work on individual projects and eliminate the \$50,000 EADA funding line item in the budget.

Item 9. Council member Zupec requested the city review which entity has the liability insurance coverage for EADA Joint Powers and if the city is covered. He has been working with Clerk Boese to review the city's current general liability insurance coverage and suggested the city review bidding it out for the 2010 budget. Clerk Boese reported that the current agent fee for the League insurance package is 10% which is standard for the industry.

Item 10. Moved by Nikkola supported by Salerno to issue a general obligation bond for \$200,000 to pay for the fire departments new Quint truck in the amount of \$75,000 and hold the remainder of the bond in reserve to purchase another truck instead of refurbishing the present truck. Motion carried unanimously.

Item 11 & 12. Clerk Boese had contacted Jim Preblich and requested the Airport Commission review and provide balanced budgets for 2009 & 2010. The council discussed the creation of an Airport Authority with the possibility of a Regional Authority. Mayor Skraba stated the airport needs to generate enough revenues to offset the expenses. Due To's – Due From's need to cleared up.

Item 13. The council reviewed the monthly financial reports for the airport January – August 2009 for Fuel and Maintenance. According to Ward Nelson the airport will be in the black at the end of year.

Item 14. The council requested a joint meeting be set up with the airport commission for September 29<sup>th</sup>.

Item 15. Discussion was held on creation of an airport Authority Board with the Airport Commission.

Item 16. Moved by Salerno supported by Nikkola to direct Clerk Boese to send letter to Commissioner Forsman requesting a meeting with Forsman and Terry Soderberg to discuss what it any additional funding the county could provide to the city for the recycling center. Motion carried unanimously. Director Langowski reported that it appears that the city will receive a \$10,000 grant from St Louis County for a new cardboard bailer; however the city does not have a building to put the new bailer in at this time.

Item 17. Mayor Skraba asked the council members what they would accept for the sale of the old city garage. Council member Sheddy stated there was an appraisal on the property some time ago. He has told prospective buyers to make an offer in proper form with earnest money for consideration by council. Director Langowski mentioned there is some available space that is heated in the garage for anyone who is interested in renting.

Item 18. Council member Debeltz presented an accounting for softball tournament proceeds and expenditures. Expenses of 3,968 included food, food license, umpires, employees, gas, balls, etc. and income of \$3,537, resulting in \$431 loss. The tournament was held over a 3-day period with 19 teams participating has a positive impact on city businesses and lodging. Director Langowski stated that in 2010 he is hopeful that the city could hire a student through the VCC program to help out at the parks next summer.

RESOLUTION APPROVING AND ADOPTING PROPOSED TAX LEVY  
COLLECTIBLE IN 2010

WHEREAS, the city of Ely is required by Minnesota Law to adopt a proposed levy for 2010, and to certify it to the St Louis County Auditor.

NOW, THEREFORE BE IT RESOLVED that the Ely City Council adopts and approves the following sums of money be levied for the current year, collectible in 2010, upon taxable property in the City of Ely, for the following purposes:

General Fund	\$ 921,214
Library	238,500
2008 Unallotment for LGA/MVHC	133,480
Debt Service	<u>\$ 168,031</u>
 Total Levy	 \$ 1,461,225

BE IT ALSO RESOLVED, that the Ely City Clerk/Treasurer is hereby instructed to transmit a certified copy of this resolution to the County Auditor of St. Louis County, Minnesota.

Moved by Sheddy supported by Salerno to approve resolution for 2010 levy as presented. Roll call: Debeltz-yes; Nikkola-yes; Omerza-yes; Skraba-yes; Salerno-yes; Sheddy-yes; Zupec-yes. Motion carried unanimously.

The council will hold a budget meeting for public input on December 22<sup>nd</sup> at 6:00 p.m.

Moved by Salerno supported by Debeltz to adjourn the meeting at 8:00 p.m. Motion carried unanimously.

Terri Boese  
Clerk/Treasurer