

Council Chambers
Ely, Minnesota
Tuesday, January 27, 2009
6:00 P.M. Regular Monthly
Ely City Council Study Session

Regular monthly Ely City Council Study Session was called to order at 6:00 P.M. by Mayor Roger J. Skraba.

PRESENT: Council members Debeltz, Nikkola, Omerza, Salerno, Shedly, Zupec, Mayor Skraba (7)
ABSENT: None (0)

City Budget Working Session was the first item of business on tonight's agenda. Mayor Skraba recommended that the Requests to Appear Before Council be taken up prior to the Budget Working Session. Moved by Salerno supported by Zupec, that Mayor Skraba's recommendation be accepted. Carried unanimously.

Duane Whalen requested placement on tonight's agenda regarding the City Primary Election. He informed Council members that this is not a Charter Commission issue – that the City Primary Election was established by City Ordinance, and that the ordinance could be abolished – that it is up to the Council. He is recommending that the Council get the local primary election off the books; not only is it an additional expense to the City but he feels that any individuals filing for an elected office should be given the opportunity to have their names voted on in the General Election ballot, as more voters turn out in November than at the September primary. Council member Salerno – would be difficult if number wasn't drawn down – there may be 12 people running for two seats; Mayor Skraba – intent for holding a local Primary was that all parties interested in running would be there; Council member Zupec – agrees with Duane and is opposed to the current city primary. Council member Debeltz – historically, those individuals winning at the primary move on to the general election and win.

Duane noted that there is recourse if the public wishes to abolish a local primary, without Council consensus, being a petition of registered voters.

Scott Quick, representing the Ely Nordic Association requested placement on tonight's agenda, presenting Council members with a draft rental agreement for those parties wishing to rent the Hidden Valley Chalet for private parties. The revenue collected from rental fees would help pay for the cleaning and upkeep of the pavilion, that the ENA is now handling. Council member Omerza reported that she had talked with the City Attorney, and the City needs to get some type of paper trail going where the ENA is officially engaged in being the caretaker of Hidden Valley. Council member Salerno

commended the ENA on the wonderful job they did in renovating the Hidden Valley Chalet.

Deputy Clerk Wellvang reported that last summer, Barb Hall and herself had discussed the fact that people were interested in utilizing the Hidden Valley Chalet, with the Deputy Clerk providing ENA members current copies of the application form individuals fill out for the renting of Semer's Park and the Ely Community Center. This draft form presented tonight, was patterned after those two current rental agreements. Prior discussion had been that the ENA would take the actual reservations, with parties being able to pick up a key for use at the City Hall, which is centrally located for accessibility.

Council member Nikkola commented that he feels there isn't a finer organization than the Ely Nordic Association as far as efficiency and helping the youth in our area.

Council member Salerno recommended that Fall Lake Township, Town of Morse, City of Winton be asked for financial assistance also in maintaining this facility. Scott reported that the ENA does receive funding from Fall Lake and Morse Townships for maintenance of the ski trails. The main hurdle for the ENA is that the City of Ely keeps the building in the City's name and covers under city blanket insurance policy. The ENA Building Group would be interested in sitting down with the City to discuss any future budgetary items.

Mayor Skraba recommended that a City group sit down with the ENA, as they now have a Building Committee established to discuss future budgetary issues at the Hidden Valley Facility.

- City Operations Director Langowski, Council member Omerza, and one additional Council member will be officially appointed at the Tuesday, February 3, 2009 regular city council meeting, to meet with the ENA Building Committee to discuss a lease arrangement with the ENA for the Hidden Valley Facility.

City Budget Working Session

Mayor Skraba – recommends that Council ask all Department Heads to be aware of the city's LGA shortfall for 2009 and prepare for this by adjusting departmental budgets at this time. He also cautioned all department heads not to make any large purchases during the first quarter of 2009. In 2010, the city's LGA will be cut by \$400,000.

Council member Nikkola – is the Council going to be cutting services or maintaining services and closing buildings. Council needs to take the bull by the horns and start making some good hard decisions now. Must provide citizens with police, fire, public works and sewer.

Council member Zupec – City needs to look for new forms of revenue; also sharing some of the pain with city employees. There is currently no co-pay on employee health insurance, and the City needs to meet with the employees on this issue. Wetland Banks –

approximately 42 acres – City Operations Director reported that there are areas the City could look at that are options for potential marketability.

Council member Zupec suggested that the old sludge dump site be considered in a land swap with St. Louis County; now is the time to engage the county in conversation. Also recommending the sale of the old county garage; he will be bringing forth a proposal in the near future.

Council member Salerno – Council needs to go through each the budgets line by line, asking all department heads to participate in this meeting. He would highly recommend that the Council call a special meeting in the very near future just to address the budget.

Mayor Skraba – did go through the City Budget with the Clerk-Treasurer and found some extra dollars that could be eliminated. He feels that city employees should be approached as to their ideas of cutting the budget – he is all for new ideas.

Council member Debeltz – Council should involve the city employees in the process. Recommends that when employees retire, the positions do not get filled, with remaining employees taking on additional duties. People need to work together.

Council member Shetty – Feels the Council needs to take a leadership role by looking at their own compensation and possibly reducing.

Mayor Skraba – City needs to address all the buildings now owned; with the Police Chief retiring, would recommend that promotion be done from within, and then that officer position not being replaced. Fire Department – can we keep providing what we now have or is there a less expensive way; Public Works – curb the amounts of snow removal the city now does and maybe only remove snow on one side of street or avenue; no sidewalk plowing.

Council member Salerno – Council members need numbers and costs. Hard numbers need to be provided prior to any further discussions.

Council member Zupec – Council members should look at reducing funding for all non profit organizations; the city needs to look at these first prior to city department budgets, and then do some long term budget planning – reform how the City does business. Much infrastructure is now needed.

Council members Omerza – In reviewing the City’s budget, the largest expenses are the first few lines of each budget which are employee wages and benefits. The Council along with employees need to start working on these issues.

Council member Debeltz – VEBA Health Insurance has been initiated at his work place and would highly recommend that City look at this health insurance plan. His current employer saves a lot of money by this health insurance plan.

Council member Nikkola – The City Negotiating Committee needs to contact the business agents of employee units, requesting to open up contract negotiations and contracts on wages, insurance benefits. He does not want city employees to take a hit, but the City needs to bring these numbers down.

Council member Omerza – The City Insurance Committee is in place and has been meeting regularly for the past year or so (Omerza and Zupec are Council representatives to Committee) and has discussed many of the health insurance issues and options available. Suggested that the City look at providing employee with x amount of dollars to purchase whatever health insurance coverage they wish.

Mayor Skraba – Would like the City Insurance Committee to meet with the full Council to discuss options out there.

Clerk-Treasurer Boese – will bring up at next City Insurance Committee Meeting options willing to be looked at, and will put together a fact sheet for Council members.

Mayor Skraba – recommends that the Council asks city department heads to analyze their budgets and sit down with their employees to discuss.

Council member Sheddy – would like department head input into budget shortfall.

Mayor Skraba – recommends that the Council schedule a special meeting of the whole to discuss city budgets mid February, requesting department heads to bring their ideas to the table for cost savings in their particular department.

Council member Omerza – suggests that the Council open up beyond city department heads, having a suggestion box for all employees and members of the public available.

City Operations Director Langowski – feels his foremen do have good ideas to bring forth, and he meets with them at a weekly staff meeting.

Fire Chief Gerzin – Fire department budget has already been cut 34% for 2009.

Mayor Skraba – cautions all department heads that if they do not have to spend any money now, don't.....Mayor also thanked Council members for appointing him as city council representative to work with the Town of Morse re: USFS annexation.

Council member Debeltz – we must par and share with our neighbors.

Moved by Salerno supported by Omerza, that tonight's study session adjourn.
Carried unanimously. Adjournment at 7:25 P.M.

Patricia Wellvang
Deputy Clerk