

Council Chambers  
Ely, Minnesota  
Tuesday, May 5, 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 Debeltz, Nikkola, Omerza, Salerno, Zupec, Mayor Skraba (6)  
ABSENT: Council member Sheddy (1)

The following items were added to the agenda:

- 1) Salerno requested council members who hadn't submitted their coin recommendations to him yet, are turned in this week.
- 2) Addition item #3 – City Operations Director, Request for Annexation

Moved by Zupec supported by Debeltz to add items 1 and 2 above to the agenda as presented.  
Motion carried unanimously.

#### MAYOR'S AGENDA

Mayor Skraba presented the Citizen of the Year Awards to Jean E. Nelson and Jerome Debeltz. Both were presented with a certificate and a plaque.

Mayor Skraba read the following statement of support:

The council and myself are working with all the city departments as we continue to review staffing for the summer. We are looking at various options for supporting Clerk Boese in maintaining the highest level of service being provided by the Clerk's office. Currently all administrative staff members have stepped up to assist and we would like to publicly thank all of them for their efforts and we appreciate the public's continued patience.

#### Consent Agenda Items:

1. Approval to open contact for propane bids
2. Appoint Warren Nikkola as Chairperson of Personnel Committee subject to Ely Supervisors of Other than Essential Employees Contract
3. AFSME – MOU, 32 hour library position, authorize Clerk Boese to post opening
4. Approve request for permit to sell fireworks by Pamida
5. Approve Ely Girls Softball league to use field June 8<sup>th</sup> – July 11<sup>th</sup>

Harold explained he had been discussing gas prices with Ferrell Gas under the city's current contract and if city re-negotiates the contract we could save approximately \$.81 per gallon.

Moved by Omerza supported by Zupec to approve consent agenda items 1-5 as presented.  
Motion carried unanimously.

## REQUESTS TO APPEAR

Eric Mayranen, Forest Consultant informed the council that currently the state has a glut of wood in the pipeline including finished wood products. County sales of aspen are currently at \$26 for Aspen. The city desires additional forest management of the Dorothy Molter and Lucky Boy properties. Mr. Mayranen will coordinate with the college through the timber management program to get a cut-to-length demonstration set up for the students on the Dorothy Molter property. He will proceed with additional field work on the Lucky Boy property after the 2 westerly corners have been established. He will contact Bear Island Surveying to get cost of establishing those 2 points. Summer harvesting of the Lucky Boy property will allow wood to be removed without disturbing the snowmobile trails and users and enhance operator opportunity. Dorothy Molter property will be fall harvest after the conifer has hardened off to eliminate a bug infestation. The airport property is ready to go as soon as there is an increase in the market.

Moved by Salerno supported by Zupec to authorize Eric Mayranen to move forward with the suggestions presented above and to have Bear Island Surveying get a cost estimate to Clerk Boese for marking the 2 westerly corners of the Lucky Boy property. Motion carried unanimously.

Engineers Dave Olson and Chuck Hartley presented a video and program information on Turboden biomass cogeneration/district heating systems. The information was gathered from their recent trip to Europe.

Moved by Omerza supported by Zupec to approve setting up a task force of interested citizens to gather information on options for district heating. Anyone interested in serving on the task force was directed to contact Clerk Boese. Mayor Skraba volunteered to be the council liaison for this task force. Public Work Director Langowski will also present this information to the EUC. Motion carried unanimously.

Kelly Klun introduced her VCC sustainable tourism class participants. The students conducted a survey of Ely business owners and presented their findings to the council. Fiber optics were discussed. Even though Ely has 1 fiber line however there is no loop yet for this line. Blueberry Ridge currently has the option of fiber to the premise through the phone company. The students feel this is an important item for Ely to continue to grow. They also suggested a sign be installed at the entrance to Ely showcasing the Business Park. The council agreed that was a good idea and asked the students to create the sign.

## COMMITTEE REPORTS

Moved by Omerza supported by Salerno to appoint Council member Shedly to the Telecommunications Advisory Board until a subscriber fills the vacant position on that board. Motion carried unanimously.

Omerza reviewed the CDBG grant application for the business revolving loan program that has been prepared by Nancy Larson of the EADA. The pre-application is due May 15<sup>th</sup>. This may be in direct competition to other CDBG grant requests.

Moved by Debeltz supported by Salerno to authorize Nancy Larson to proceed with the CDBG grant application and if approved the cost to the city will be \$4,000. Motion carried unanimously.

The EADA Executive Board is currently looking for new space as the college is no longer able to financially be a business partner with the EADA.

Omerza invited members of the public to the EADA business mixer which will be held May 28<sup>th</sup> from 5-7 p.m.

Mayor Skraba reported that the winter lodging has been very tough for local businesses. He also reviewed the Joint Powers meeting. Nancy Larson is working with 4 businesses through SBA program. He updated the council on the RAMS meeting and the Economic Stimulus meeting that he and Director Langowski attended in Mt. Iron. He stated he had some good conversations with legislators at the League meeting regarding LGA.

#### Department Head Report-Police Department

- 1) Moved by Salerno supported by Zupec to authorize William Saw to complete his internship for Bemidji State University through the summer with the city's police department. Motion carried unanimously.
- 2) Moved by Debeltz supported by Salerno to post the position of Police Chief internally as recommended by the Police Commission. Motion carried unanimously.
- 3) Moved by Debeltz supported by Zupec to begin the process of hiring a police officer who would be covered by COPS grant monies if the city is approved for the grant. Motion carried unanimously.
- 4) Moved by Salerno supported by Zupec to discontinue the police department canine program and to take the dog out of service effective 6/1/09. Motion carried unanimously.

#### CITY ATTORNEY

Moved by Salerno supported by Debeltz to approve the corrective warranty deed as presented for Gordon and Gail Shedly and authorize the mayor and clerk to sign. Motion carried unanimously.

Moved by Zupec supported by Debeltz to amend Ordinance Chapter 20, Section 20.2.41 to change name from Spaulding Phase III to E Spaulding 1<sup>st</sup> Addition. Roll call: Debeltz-yes; Nikkola-yes; Omerza-yes; Salerno-yes; Zupec-yes; Mayor Skraba-yes. Motion carried unanimously.

Moved by Zupec supported by Nikkola to exercise the right of re-entry and reversion of Lot 8, Block 2, Spaulding Phase II currently owned by Kevin Geiger. Motion carried unanimously.

Moved by Zupec supported by Omerza to allow a 2 week extension for John Imsland to pay the taxes on Lot 13, Block 2, E Spaulding and authorize an 18 month extension on the purchase agreement with proof of payment of the taxes on this lot. Motion carried unanimously.

Attorney Klun reviewed the meeting with Morse Township and council representatives regarding annexation of the forest service property. An agreement was presented to the council to annex the forest service property approximately 19 acres located North of Highway 169 in Section 26, Township 63 N, Range 12 W. The agreement includes a 25 year annexation moratorium as requested by the township.

Moved by Salerno supported by Zupec to table the annexation proposal. Roll call: Debeltz-yes; Nikkola-yes; Omerza-yes; Salerno-yes; Zupec-yes; Mayor Skraba-no. Motion carried.

Attorney Klun and Mayor Skraba met with representatives from the Dorothy Molter Museum and are requesting authorization to update expiring lease for a 10-year term with the museum covering costs of operating the building.

Moved by Nikkola supported by Zupec to authorize Attorney Klun to update the Molter Museum lease and present for approval at the next meeting. Motion carried unanimously.

Moved by Zupec supported by Nikkola to adopt resolution for delinquent utilities on the following properties: 1545 E Harvey St; 340 E Conan St; 114 E Sheridan St; and 17 E Beacon Hill Rd, and schedule hearing on May 26, 2009 at 6:00 p.m. Roll call: Debeltz-yes; Nikkola-yes; Omerza-yes; Salerno-yes; Zupec-yes; Mayor Skraba-yes. Carried unanimously.

#### DEPARTMENTAL REPORTS

Clerk-Treasurer Boese

Moved by Debeltz supported by Salerno to approve payment of the City and EUC bills and payroll for the 1<sup>st</sup> half of May, 2009 as presented. Motion carried unanimously.

Moved by Salerno supported by Omerza to approve window hours for the clerk's office 9 am – 3 pm Monday through Friday and temporarily changing Sandra Thom and Alan White to full time until the staffing issue in the clerk's office is resolved. Motion carried unanimously.

Attorney Klun and Clerk Boese met with Building Official Patrick Conery today and Mr. Conery does not wish to relinquish the residential portion of his contract. Moved by Salerno supported by Omerza to request Mr. Conery appear before the council. Motion carried unanimously.

Moved by Omerza supported by Zupec to authorize Clerk Boese to attend the following meetings: Liquor Licensing on May 14, Waite Park; Pay Equity Job Evaluation Training on May 15, Duluth; Municipal Absentee Voting Workgroup on May 18<sup>th</sup>, St. Paul. Motion carried unanimously.

City Operations Director Langowski

Moved by Debeltz supported by Zupec to advertise for bids on the old city grader with minimum bid being \$20,000. Motion carried unanimously.

Director Langowski reported on the pre-construction meeting held recently on the 2<sup>nd</sup> Ave W project. He addressed alley closings and water outages and notification procedures to residents. The project is scheduled to be completed on June 30, 2009.

Langowski received a request for annexation and extension of city sewer services to the property. The request is located in the 1973 annexation agreement area. Moved by Omerza supported by Zupec to forward the request to the Planning & Zoning Commission. Motion carried unanimously.

Langowski addressed the condition of the recycling center and the mulch pile tree dump. He requested that all citizens in the area take some pride and stated over the winter the area has become a dumping ground for everything from trash to appliances. He urged the citizens to drive by that area and start self monitoring—Take pride in your community.

Moved by Debeltz supported by Zupec to authorize Director Langowski to lift calendar parking as soon as possible and notify the public. Motion carried unanimously.

Moved by Salerno supported by Zupec to approve EUC consent agenda items 1-5 as listed follows:

EUC Consent Agenda Items:

1. Approved awarding the bid for 2009 Reconductoring Project to Lake States Power for \$60,808.23
2. Approved purchasing materials for the 2009 Reconductoring Project from WESCO for \$26,799.91, Border States Electric for \$8,475.65 and Viking Electric for \$5,100.42
3. Approved charging an annual fee of \$15,000 for the Hydrant Usage Contract
4. Approved payment of Bills and Payroll for April 7<sup>th</sup> for \$103,231.38 and April 21<sup>st</sup> for \$247,463.96
5. Approved payment of the MPCA Water Quality Annual Fee of \$5,900

COMMUNICATIONS

Moved by Debeltz supported by Salerno to approve a \$500 contribution to the Ely Garden Club to be distributed through Langowski's budgets. Motion carried unanimously.

Moved by Debeltz supported by Nikkola to grant the use of Whiteside Park to the Ely Farmer's Market beginning May 26, 2009 providing the city receives a copy of their certificate of insurance and they clean up/leave no trace. Roll call: Debeltz=yes; Nikkola=yes; Omerza=yes; Salerno=yes; Zupec=yes; Mayor Skraba=no. Motion carried.

Moved by Salerno supported by Omerza to include the use of Whiteside Park in the council's discussion of development of usage/charges for city facilities. Motion carried unanimously.

Moved by Zupec supported Salerno to grant use of Whiteside Park to NLAA in conjunction with the Farmer's Market providing the city receives a copy of their certificate of insurance and clean up/leave no trace. Motion carried unanimously.

Moved by Omerza supported by Zupec to authorize the Mayor and Clerk to sign the \$5,000 Blandin Foundation geothermal heating options grant. Motion carried unanimously.

Moved by Omerza supported by Debeltz to pay dsgw Architects, professional services-City Center Study, invoice #2 \$3,254.87 as presented. Motion carried unanimously.

## OLD BUSINESS

Moved by Omerza supported by Debeltz to waive readings in entirety of all ordinances and resolutions on tonight's agenda. Motion carried unanimously.

George Eilertson presented the general obligation tax anticipation certificate sales packet and reviewed the process to determine the city's borrowing needs. The monies must be repaid by the end of 2009 and will cover the anticipated shortfalls prior to receiving tax disbursements from the County. They solicited bids from local lending institutions and low bid came from Wells Fargo at 2.49%. The last time the city borrowed money in this fashion was in 2000 in the amount of \$300,000. The city's bond counsel, Fryberger, Buchanan reviewed the sale documents and prepared the resolution.

Moved by Salerno supported by Omerza to authorize the Mayor and clerk to sign the financial advisory service agreement with Northland Security, Inc. in the amount of \$2,500 for the preparation of the GO Tax Anticipation Certificates of Indebtedness as presented. Motion carried unanimously.

Moved by Debeltz supported by Salerno to accept the resolution providing for the issuance, sale and delivery of \$455,000 GO Tax Anticipation Certificate of Indebtedness Series 2009B as presented. The city will receive the funds on May 28, 2009. Roll call: Debeltz-yes; Nikkola-yes; Omerza-yes; Salerno-yes; Zupec-yes; Mayor Skraba-yes. Motion carried unanimously.

Councilmember Salerno left the meeting at approximately 8:50 p.m.

Moved by Debeltz supported by Zupec to approve final reading and adoption of Ordinance Amendment: Adding a Class Use and Interim Permit Use to Chapter 11, Ely City Code. Roll call: Debeltz-yes; Nikkola-yes; Omerza-yes; Zupec-yes; Mayor Skraba-yes. Motion carried unanimously.

## NEW BUSINESS

Moved by Debeltz supported by Zupec to approve a Brewpub Off Sale Malt Liquor License request Boathouse Brewpub & Restaurant and separation agreements as presented pending the receipt of all required documents. Motion carried unanimously.

No action was taken on the Saint Louis County notice of proposed sale of state tax forfeited lands, City of Ely, W 23' of Lot 5, Block 14. Information only.

Moved by Omerza supported by Debeltz to adjourn at 9:00 p.m. Motion carried unanimously.

Terri Boese  
Clerk/Treasurer