

Ely City Council Study Session September 29, 2009

The Ely City Council study session was called to order by Mayor Skraba at 6:00 p.m. on September 29, 2009 at the Ely City Hall.

PRESENT: Council members Debeltz, Nikkola, Omerza, Salerno, Sheddy, Zupec and Mayor Skraba (7)

ABSENT: None

Addition to the agenda:

New Business – Item #6 Fire truck financing information from Northland Securities

The city's general liability insurance representative Sue Today reviewed the city's policy and current coverage with the council. Council member Zupec stated the following facts: Lucky Boy Dam is approximately 19' high and 226' long. In 1987/1988, the city agreed to maintain the dam per an agreement with the DNR and the DNR would inspect it. The Ely Golf Course agreed to keep the brush off the dam in exchange for use of the water for the golf course. There is a 99-year lease with the City on the Lucky Boy property. Ms. Today will send the contract into the League to have them review it. Clerk Boese will be the point of contact for the City and will include Director Langowski to work on this issue with Ms. Today. Zupec suggested the city develop a maintenance schedule for the dam which feeds into a trout stream that is a registered with the State.

Ms. Today reported that General Liability Insurance is doing better this year than in past years. The League of Minnesota has an Excess Liability Policy option that she will get information on and send the quotes to Clerk Boese.

Airport Commission

Mayor Skraba reviewed the 2009 airport budget as presented by the commission. It appears that the airport will have a positive cash flow due to an increase in fuel sales this summer. The council reviewed the 2010 Capital Improvement Program (CIP) as presented. Funding for this program is paid for by aviation fuel taxes. The grant funding level is 95% paid by the federal government and 5% by the city. The FAA is aware of the dangerous situation created by not having parallel taxiway. Aviation funds from fuel tax, licenses, and property, not taxpayers, have paid for improvements.

Airport Commissioner Rollie Green reported that he spoke with MNDOT and the Brainerd Airport Authority representative. In order to create an airport authority it would require 1) city council approval; and then 2) county approval. The authority would be taxed at a county level. Airport Commissioner Rollie Green reported the first step would be to go meet with Commissioner Mike Forsman.

Council member Nikkola stated a regional airport would be wonderful; however, he envisions it as the Ely Airport Authority. A benefit would be that the authority would have a separate budget. He stated the advantage of turning it over to the Airport Commission to

become an authority. An authority gets funded differently. There are 3 authorities within St. Louis County: Duluth, Hibbing, and Eveleth-Virginia.

Mayor Skraba asked the commission to explore all airport 'authority' options. Dave Peterson stated he had correspondence from the research that was done in 2002 by Klun Law Firm. The commission will research pros and cons and bring the information they gather back to the council. Commission member Dick Sands asked if the main goal is funding. The Council feels the city is not as knowledgeable as the airport commission when it comes to running the airport and Council member Sheddy said an authority would allow it to be more area-wide. Council member Debeltz questioned if there would be an advantage of more possible funding options as an authority. Council member Omerza requested if it was possible to look at papers from 2002 and Dave Peterson stated he would leave originals with Clerk Boese to copy.

Building Assessment Committee Presentation

Director Langowski presented the proposed:

Executive Summary

The study looked at the current usage of the two facilities and the amount of space currently occupied. Some uses required additional space and some required less. One example of a department requiring additional space is the library. To meet current ADA codes, the shelving cannot be as high as it currently is and books cannot be placed on the bottom shelf. This results in added square footage to shelve the existing books. An example of reduction in space would be the community center. The current community center occupies 18,788 square feet including the cafeteria and kitchen. The proposed facility would have 2,145 square feet. This study also included the potential to house the current St. Louis County jobs located in the JFK. As you all know this building is slated to be closed in 2010. St. Louis County has requested 5,600 square feet to house their current offices.

Director Langowski explained the need for ADA compliance requiring elevator and restrooms. The immediate needs of the Community Center include a roof, replacement of the boiler system, as well as safety upgrades.

Council member Sheddy stated the group was charged with getting a plan for a new building. The city needs to move forward with a plan after deciding which path to take.

Mayor Skraba asked Tony Mancuso where the county is after they received the RFP's. They have not accepted or rejected any RFP's at this point; two are acceptable and two are not. They have contracted with DSGW to review plans and look at long term, short term, operating costs and depreciation, etc. The county intends to stay in Ely but the JFK building no longer meets indoor air quality standards. They are exploring several possibilities 1) adding on to the joint facility; 2) long-term lease potential with city and 3) private lease on vacant property: long-term, short-term, etc. The county cannot wait for 2 years to find a new space. Potentially they could sign a short term lease with a private property owner. Mancuso is asking for an agreement with the city by the end of November that he could present to the county. Potentially the city and county could share reception area staff.

Mayor Skraba asked if the county would be able to help with the bonding limit since the 7.4 is over the city's 5.5m limit; 1.9m for county bonding ability is difficult and Tony suggested the city visit with the county auditor. The county wants to enter into a long-term lease agreement. Hibbing example: 2 payments, pro-rata share and debt share of model County has used in all its joint ventures.

Eric Wedge, DSGW reviewed the background of the executive summary. Preliminary space needs and sites and scenarios.

Background

Plan for a New Civic Campus that will reduce the number of square feet the city will need to maintain. Construct a state-of-the-art civic center occupied by multiple governmental agencies. Objective of the project is to house the multiple agencies services on one site under one roof saving money by creating efficiencies in the delivery of services and by sharing overhead costs.

Vision

To improve accessibility, safety and delivery of services, reduce the long-term life cycle costs to Ely constituents, while making the City Center energy efficient.

Space needs

City is currently utilizing 52,920 square feet of space. It was determined that the actual space requirement is 37,107 square feet, resulting in a 30% reduction in space.

Criteria for Site Selections

Soil conditions and site contours; location; site utilities and site infrastructure.

Scenario A – Renovation of Existing Facilities--consider operation costs to maintain, heat, and cool.

Scenario B – Chapman Street Site – site is .86 acres too small to accommodate a 1 story facility and limited parking.

Scenario C – Business Park Drive Site is 1.35 acres too small to accommodate a 1 story facility. One third of site is undevelopable because of a large bluff along southeast corner.

Scenario D – Pattison Street (Vacated City Garage Site) Renovation & Additions is 1.49 acres large enough to accommodate a 1 story facility.

Scenario E – Pattison Street (Vacated City Garage Site) New Facility allows for design efficiencies while existing facilities are being occupied.

Pattison Street has the most acres and space. Total cost of \$7,487,052.00.

Council member Nikkola expressed concerns about piecemeal out of bonding capability—cut back on size of building possibly to 4.5 million.

Director Langowski expressed to council whether new or rehab, three factors that need to be considered are: ADA compliance, roof on Community Center, and County space.

Council member Zupec requested a meeting with George Eilertson to discuss the effects of bonding. He expressed concern that city does not bond full capacity. The importance of keeping emergency funding such as for the wastewater plant.

Council member Debeltz felt taxpayers should have a say in it. The council should get their input from a special referendum or reverse referendum to focus on existing or new. Mayor Skraba stated his concern in regards to the cost of \$7.5 million bond and how that would affect taxes on the average home.

Mr. Mancuso requested input/plan/direction and questioned if the city wants the county as a partner? The council wants to keep the county as a tenant to provide cash flow to offset operating costs.

Council member Nikkola stated council needs to hold public meetings and gather input. Council member Sheddy stated the following issues need to be discussed if the city keeps the current buildings: ADA, air quality and heating. Nikkola explained the city's maximum bonding capacity is \$5.3 million. Council member Zupec agreed with Nikkola in that the City could not afford it.

Meeting recessed at 8:00 p.m. for approximately 5 minutes.

The council agreed to hold the next budget meeting at 6:00 p.m. on October 27th at the Joint Maintenance Facility.

The council reviewed the fire chief salary information that was presented but took no action. Financing for the new fire truck will be discussed at the next budget meeting. Fire Chief Gerzin presented a list of equipment needed for the new Quint fire truck equipment totaling \$11,692.65, with an additional \$3,500 for tires and wheels.

NEW BUSINESS

Parks & Trails Legacy grant program.

Mayor Skraba reported there are new tax monies available for parks and trails. He suggested the council put together a package if they are interested in pursuing some of these monies. The chamber is interested in a park area near their building. Council member Zupec suggested the city look at the Lucky Boy property for developing a trail system and potentially creating a park in that area. Mayor Skraba suggested writing a grant for Mesabi Trail system. Director Langowski will work with Mayor Skraba on writing of grant. The Regional Legacy Grant Program deadline is November 13, 2009.

The council requested Clerk Boese contact area cities to see if they are charging for copies and how much.

The council requested the Clerk get proposals for a new copier for the clerk's office. The current copier will replace the failing copier in the Police Department.

Clerk Boese reported that the office hours have been changed back to 8:00 a.m. to 4:30 p.m. Monday through Friday.

The council instructed the Employee Relations Committee to review and make changes to the current hiring policy and submit to the council for final approval.

Item 5. Data Request Form. Clerk Boese reported the clerk's department is requiring a data request form to be filled out for all information being requested by the public. This will help in tracking and monitoring and work flow. Council members agreed this is an excellent idea.

Clerk Boese presented a memorandum from George Eilertson of Northland Securities regarding options for fire truck financing. The council previously approved bonding for \$200,000 to pay for the recently purchased Quint truck and a second truck yet to be purchased.

Mayor Skraba announced invitation to Northwoods Hospice Respite Partners Open House at the Ely Bloomenson Community Hospital from 10 to 3 p.m., October 1st and 2nd.

Moved by Omerza supported by Salerno to adjourn the meeting at 8:20 p.m. Motion carried unanimously.

Barbara Henning for Terri Boese
Clerk/Treasurer