

## **Ely City Council Study Session April 27, 2010**

The Ely City Council study session was called to order by Acting Mayor Omerza at 6:00 p.m. on April 27, 2010 at the Ely City Hall.

PRESENT: Council members Omerza, Salerno, Sheddy, (3)

ABSENT: Council member Debeltz, Nikkola, Zupec, and Mayor Skraba (4)

Council member Salerno reported briefly on attending the Chamber Executive Board meeting. He distributed examples of questions and answers the Chamber put together for the lodging tax. This may give the council some idea on how to put together the info for the 1% sales and use tax.

Discussion was held on Sales Tax Speaking Points:

Acting Mayor Omerza reported that the legislative session is still going on. A decision will need to be made if council wants it to go before the voters on the election ballot. Waiting to see what happens in St. Paul, determines the action plan. It was restated for clarification that a 1% sales tax would generate approximately \$490,000 and ½% approximately \$245,000 minus what the state charges for administering the tax collection. She thanked the Chamber for the question and answer information they shared.

Kerry Davis, President of the Ely Chamber of Commerce clarified that the Chamber never stated they were against the sales tax. They would like to see more public, open forums as soon as possible.

Linda Fryer, Administrative Director of the Chamber reported that out of approximately 300 members, over half or 170 are merchants. Council member Salerno stated it would be beneficial to have Chamber's merchant members at the meeting.

Duane Whalen, a resident of the city, questioned if the city would get 1% or \$500,000 and bonding for \$4-5 million with the sales tax paying the bond back, what would happen if the infrastructure project goes over budget.

Mauro Caruso, a resident of Ely, suggested not to bond as it would be spending twice as much. Instead, start the project after the city has collected a year's worth of revenue and continue as money is available for the project.

Duane Whalen also brought up Director Langowski's concerns at the EUC Meeting that infrastructure needs are in the millions of dollars. Council explained that the enterprise funds should be self supporting.

The tertiary bond will be paid off in 2042 and the life span of the structure is 20 years. Storm water and sewers pipelines are clay tiles installed in the early 1900's.

The council received a copy of the Early Retirement Incentive Program recommended by the Employee Relations Committee. This item will be on the May 4<sup>th</sup> Regular Meeting.

Calendar parking regulations have been lifted.

Meeting adjourned at 6:30 p.m.

Terri Boese  
Clerk/Treasurer