

Ely City Council Regular Meeting August 16, 2011

The Ely City Council Regular Meeting was called to order by Mayor Skraba at 6:00 p.m. on August 16, 2011 at the Ely City Hall.

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

ABSENT: None

Motion by Salerno supported by Zupec to approve the minutes of August 2, 2011 Regular Meeting as presented. Motion carried unanimously.

ADDITIONS TO AGENDA:

- A. 9Aii – Levy meeting time change
- B. 9Aiii – Gardner Trust
- C. 9Aiv – Safety Committee Council Representative
- D. 9Av – Satisfaction of Mortgage on Rehab Loan
- E. 13C – Amici's On Sale and Sunday Liquor Licenses Renewal

Motion by Debeltz supported by Salerno to approve additions to agenda A–E as listed above. Motion carried unanimously.

MAYOR'S REPORT:

Mayor Skraba recognized the Rotary Club for their support to the community and the park. Joni Haag, Rotary Vice-President, spoke briefly on their recent auction and thanked the community for participating and making the auction very successful.

Mayor Skraba thanked everyone who participated in the Relay for Life Event on August 12, 2011 and also thanked the Public Works Department for their hard work in getting the park ready for this event.

Mayor Skraba thanked the Ely Baseball Association and their volunteers for making the baseball program a great opportunity for the young people in our community. Congratulations went out to the Junior League on their tournament victory and to the VFW League for winning 3rd place in Districts.

CONSENT AGENDA:

- A. Motion to waive readings in entirety of all ordinances and resolutions on tonight's agenda
- B. 2011 LMC Regional Meetings -Gilbert on September 22nd – Authorize Council & Staff to attend

Motion by Salerno supported by Debeltz to approve consent agenda items A-B as listed above. Motion carried unanimously.

REQUEST TO APPEAR:

Donovan Bierbaum made a final request to the City of Ely to relax its stand on his property at 1301 North 21st Ave and to grant his utilities, sewer and water turned back on so he can use the property in order to put it up for sale. He was upset that he had not received a response from the City regarding this same request that he made on June 10, 2011. Mayor Skraba stated that his request was denied and Attorney Klun stated a response was written and she apologized if it had not reached him. Klun also stated that the Council could take it under consideration but they were instructed not to respond to his request in an open meeting since Mr. Beirbaum had previously threatened litigation on the matter. Attorney Klun stated that she would send him a response regarding the council's decision on the issue.

COMMITTEE REPORTS

Debeltz stated at the last cemetery meeting they did not have a quorum but discussion was on a donated tree to go in the memorial area.

Nikkola stated the Negotiations Committee has contract negotiations with LELS on 8/17 at 8:30am and the Employee Relations Committee meeting has been changed to September 7th at 2:00 p.m. The Storefront Committee has a loan request but did not have a quorum at their their last two storefront meetings. He recommended EEDA review for approval at their meeting later this evening.

Motion by Nikkola and supported by Salerno to accept the Budget Committee recommendation to decline the city's participation in the Safe and Sober Program for 2011/2012. Motion carried unanimously.

Ely City Council Regular Meeting August 16, 2011 Continued

Motion by Nikkola and supported by Salerno to authorize Clerk Boese to advertise for accounting software quotes as recommended by the Budget Committee and approved by the EUC. Funding for new software is in this year's budget. Motion carried unanimously.

Motion by Omerza and supported by Debeltz to adopt the resolution to transfer \$500,000 from the Electric Fund to the Water and Sewer Funds in the amount of \$250,000 each. This will be a permanent transfer which was approved by the EUC. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Sheddy-yes, Zupec-yes, and Mayor Skraba-yes. Motion carried unanimously.

Motion by Nikkola and supported by Omerza to amend the 2011 budget accounts as follows due to the state's LGA cuts: EEDA transfer account #101-00000-720 decrease of \$60,000; Debt Service transfer account 101-00000-720 decrease of \$60,000; Capital Improvements-Building, Community Center 101-41960-520 Increase of \$40,000 (to repair roof); Capital Improvements-Building, City Hall decrease of \$20,000; Local Government Aid 101-00000-33401 decrease of \$159,500; Market Value Homestead Credit 101-00000-33402 increase of \$59,500. Zupec recommended getting Attorney Klun's approval on the EEDA transfer. Clerk Boese suggested contacting Auditor Gary Giroux instead of tasking Klun. Motion amended to authorize transfers pending Giroux's approval. Motion carried unanimously.

Omerza stated Whiteside Park will be officially closed on August 29, 2011 to get ready for the installation of new playground equipment which will be from September 1 -3, 2011. All who would like to help are welcome. She also stated Council member Sheddy and herself met Sue Mansfield at the Lilypad Picnic who was responsible for the City of Ely winning the online contests. TAB meeting will be moved to September 29, 2011 at 4:00 p.m. due to Regional League Meeting. Council member Omerza attended the CGMC Summer Conference in Grand Rapids Aug 3-5 where she was presented with the Award for Excellence. The main discussion at the conference was Economic Developing and the big item was the redistricting and drawing new lines for the 8th Congressional District. The League of Women Voters is having a draw the line non-partisan listening session scheduled on Thursday, August 25th from 7:00pm to 9:00pm., where public testimony will be heard in Duluth.

Council member Sheddy reminded everyone of the Sanitation Meeting on Thursday, August 18, 2011 at 10:00 a.m. at the city hall.

Mayor Skraba reported on the meetings he attended: Duluth Metals on Thursday, August 11th; Twin Metals open house on Friday, August 5th which was well attended by the community of approximately 500 people; EADA invited Mark Philips, the commissioner of DEED (Department of Employment and Economic Development) and Skraba gave him a tour of the city.

Operations Director Langowski stated that MNDOT indicated the airport roof repair would consist of funding from 90% Federal, 5% State & 5% local and crack repair would be 95% federal & 5% local but MNDOT stated that certain portions of the roof project are not eligible for the roof funding so the 5% from MNDOT is not available which raises the share of City's portion by \$6,923.00. He stated that he was working with the FAA on the grant request and TKDA recommends the Mayor and Attorney to sign those documents when received to get contract going as soon as possible.

Motion by Zupec and supported by Nikkola to approve the Mayor or Acting Mayor and the City Attorney to sign the FAA grant documents when received to expedite the awarding of funds. Motion carried unanimously.

Mayor Skraba noted that Highway 88 is closed due to new culverts being installed by the County.

Mayor Skraba also stated that Pamida would like to give their old building on Chapman St to the City of Ely. Discussion will continue at the next Study Session and/or EEDA meeting.

DEPARTMENTAL REPORTS

Clerk/Treasurer

Clerk Boese stated the date selected for the Business Focus Group meeting did not work out and a new meeting date and time will be scheduled after Labor Day. Also the December 6th levy meeting has been moved to 7:30pm following the regular council meeting for the final levy adoption. According to the attorney for the Gardner Trust the Mayor is not eligible to be the council representative on that board.

Ely City Council Regular Meeting August 16, 2011 Continued

Motion by Omerza and supported by Shedly to appoint Mark Zupec to the Gardner Trust Board. Motion carried unanimously.

Motion by Omerza and supported by Salerno to appoint Jerome Debeltz as council representative to the City of Ely Safety Group. Motion carried unanimously.

Motion by Zupec and supported by Omerza to approve the sign off on the Satisfaction of Mortgage for Katharine Scroggins on her rehab loan. Motion carried unanimously.

FIRE CHIEF

Tom Erchull presented his request for the purchase of a breathing air compressor plus new cascade system and request to hire 7 or 8 more firefighters and to provide training as well.

Motion by Debeltz and supported by Shedly for the fire department to purchase the breathing air compressor plus the new cascade system through the 2009 FEMA Grant monies from Alex Air Apparatus, Inc for \$20,470. Servicing will be approximately \$700/year on the system. Motion carried unanimously.

Motion by Nikkola and supported by Debeltz to approve the hiring and training of up to 8 new firefighters after consulting with Clerk Boese on the hiring policy. In discussion, training is \$1000 per person and will mostly be covered by a current state credit of \$8000. Motion carried unanimously.

Library Director

Motion by Omerza and supported by Zupec to appoint James Pointer to the Library Board. Motion carried unanimously.

Rachel Heinrich reminded everyone the Accidental Ensemble will be performing at the Library on August 24, 2011 at 5:00p.m. All are welcome to attend.

City Operations Director

EUC Consent Agenda Items-The following items of business were recommended for approval at the regular EUC meeting of Wednesday, August 10, 2011:

- A. Authorized calling for quotes for a new software system.
- B. Approved a permanent transfer of cash from the electric fund to the water and sewer funds as recommended by the Budget Committee.
- C. Approved the purchase of \$3,000.00 of postage for the billing office postage meter.

Motion by Debeltz supported by Nikkola to approve EUC consent agenda items A-C as presented above. Motion carried unanimously.

City Attorney

Attorney Klun stated the letter on Katauskas that was given to the council will be covered at the next council meeting. Also, the SMDC gift of the old clinic property will be ready to close in the next week or two. The letter on the Korpi cemetery trust gift is for the council's information only at this time. Additional information will be brought forth at the next council meeting.

Motion by Zupec and supported by Debeltz to approve the second and final reading of the Liquor License Ordinance #247, 2nd Series with the following changes: to qualify as a restaurant, the establishment must possess either a small, medium or large establishment license; provide waitress/waiter service; have a printed menu; food is served and consumed while seated in single location; have a seating capacity for at least 30 people. Following publication in the August 20th issue of the Ely Echo, the effective date of the Ordinance will be September 19, 2011. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Shedly-yes, Zupec-yes, and Mayor Skraba-yes. Motion carried unanimously.

Motion by Salerno and supported by Debeltz to approve the first reading of the Charter Amendment/Ordinance #249, 2nd Series renumbering Sections 6.05 & 6.06. The first publication will be in the August 20th issue of the Ely Echo. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Shedly-yes, Zupec-yes, and Mayor Skraba-yes. Motion carried unanimously.

Ely City Council Regular Meeting August 16, 2011 Continued

Attorney Klun presented a request on behalf of the Klun Law Firm for its continued services as City Attorney and requested a renewal of their contract for another two years.

Motion by Salerno and supported by Nikkola to approve the City's Attorney Renewal Contract and continue with Klun Law Firm as the City Attorney for the years 2012 and 2013. Council member Zupec requested the City obtain bids for the city attorney contract. Police Chief John Lahtonen stated that the Klun Law Firm has provided the police department with excellent service and recommended continuing the relationship. Council member Debeltz and Salerno pointed out that it would take a lot of time to transfer files and information to another law firm. Council member Sheddy stated he would abstain from the vote due to his business affiliation with Kelly Klun. Roll Called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Sheddy-abstain, and Zupec-No and Mayor Skraba-yes. Motion carried 5 yes, 1 no and 1 abstention.

COMMUNICATIONS:

- A. Household Hazardous Waste Collection, Northwood's Transfer Station, Sept 8, 11-3
- B. Thank You letter from the Ely Chamber of Commerce for help and support of the Blueberry Art Festival.
- C. Letter of "Thanks" to Dennis Schilling
- D. Public Hearing on FY2010 Program Accomplishments & CDBG 2012 Program Kickoff on August 17th at the Mountain Iron Community Center from 1:00 – 3:00 p.m.
- E. RLK agrees to allow JPJ Engineering to continue as the City Engineer for Ely
- F. Ground Breaking of The Children's Memorial Park – Aug 31st @ 2pm – 3rd St S & 9th Ave S, Virginia MN

CLAIMS FOR PAYMENT

- A. City and EUC claims for August, 2011 - \$309,451.20
- B. TKDA – Ely 2011 CIP Projects – Professional Services from June 26, 2011 to July 30, 2011 - \$1,695.11
- C. RLK – Water Treatment Plant Demolition – Pay Estimate #3 - \$38,332.50
- D. RLK – 2011 Pattison St Reconstruct – Inv#3 - \$1,505.00
- E. RLK – Ely Water Treatment Plant Demolition – Inv #6 - \$1,843.75
- F. RLK – Ely White Street Alleys – Inv#1 - \$9,514.35
- G. RLK – Central Avenue Improvements – Inv#19 - \$417.50

Motion by Salerno supported by Debletz to approve claims for payment A – G as listed above. Motion carried unanimously.

OLD BUSINESS

Motion by Debeltz and supported by Salerno to approve the Resolution in support of the Hidden Valley Trail Enhancement Grant. In discussion, Council Member Zupec clarified his "no" vote due to a 20 year encumbrance attached to the grant. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Sheddy-yes, Zupec-No and Mayor Skraba-yes. Motion carried 6 yes and 1 no.

Motion by Debeltz and supported by Zupec to approve the Mesabi Bituminous low bid on the Pattison Street Surfacing project of \$48,830. Motion carried unanimously.

NEW BUSINESS

Motion by Nikkola and supported by Zupec to approve the Ruffed Grouse Society application for gambling permit to be held at the Grand Ely Lodge on October 20, 2011. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Sheddy-yes, Zupec-yes, and Mayor Skraba-yes. Motion carried unanimously.

Motion by Nikkola and supported by Omerza to approve the temporary liquor license for Ely Jaycees on September 3rd at the Community Center for Live Music Event and waive the requirement for a onsite police officer. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Sheddy-yes, Zupec-yes, and Mayor Skraba-yes. Motion carried unanimously.

Motion by Debeltz and supported by Salerno to approve the following liquor license renewal applications as presented, pending the receipt of all required documentation for the term of 9/1/11 – 8/31/12 with the exception of Amici's Sunday Liquor License. Roll called: Debeltz-yes, Nikkola-yes, Omerza-yes, Salerno-yes, Sheddy-yes, Zupec-yes, and Mayor Skraba-yes. Motion carried unanimously.

Ely City Council Regular Meeting August 16, 2011 Continued

ON-SALE INTOXICATING	SUNDAY ON-SALE
Zaverl's Bar Inc. Kwazy Wabbit Grand Ely Lodge, LLC Dee's Bar Inc. the Next Generation EBA Enterprises Inc DBA: Ely Bowling Center Ely Steak House Michael Trumbull DBA: Northern Grounds Rockwood Bar & Grill of Ely, Inc. Boathouse Brewery, LLC KTM, Inc. DBA: The Chocolate Moose Amici's	Jugoslav National Home Inc. VFW Post #2717 Ely Steak House Inc. EBA Enterprises Inc. DBA: Ely Bowling Center Grand Ely Lodge LLC Boathouse Brewery, LLC Michael Trumbull DBA: Northern Grounds Rockwood Bar & Grill of Ely, Inc. KTM, Inc. DBA: The Chocolate Moose Amici's
WINE Moose Ridge Inc. DBA Sir G's Italian Restaurant Jewell Designs Inc: DBA Organic Roots	OFF-SALE Mike's Drive In Liquor Inc. Kat's Drive In Liquors Inc. Anne M. Moravitz DBA: Beavers Liquor Sarah Burger, Wild Life Liquor Boathouse Brewery, LLC
CLUB Jugoslav National Home Inc. V.F.W. Post #2717	ON-SALE 3.2 NON-INTOXICATING MALT Sky Ventures DBA: Pizza Hut Moose Ridge Inc. DBA: Sir G's Italian Restaurant Stony Ridge on Shagawa Lake Jewell Designs Inc: DBA Organic Roots
OFF-SALE 3.2 NON-INTOXICATING MALT Zupancich Brothers Inc Ely Northland Market Pamida Stores Operations Co. LLC	

Meeting was recessed at 7:37 p.m. and reconvened at 8:04 p.m. after the EEDA meeting.

Meeting closed at 8:05 p.m. to conduct John Lahtonen, Police Chief annual performance review.

Meeting reopened at 8:28 p.m.

Motion by Omerza and supported by Debeltz that Chief of Police, John Lahtonen has successfully completed his probationary period. Motion carried unanimously.

Meeting closed at 8:30 p.m. to discuss the contract negotiations for Clerk/Treasurer Boese.

Council member Zupec left the closed meeting at 8:34 p.m.

Meeting reopened at 8:40 p.m.

Motion by Salerno and supported by Nikkola to approve the employment agreement for the City Clerk/Treasurer as presented. Motion carried 6 to 1 with Zupec being absent.

Motion by Nikkola supported by Shedly to authorize Attorney Klun to contact the League of MN Cities regarding the potential Data Practices issue regarding Clerk Boese's contract. Motion carried unanimously.

Motion by Omerza and supported by Nikkola to adjourn meeting at 8:45 p.m. Motion carried unanimously.

Terri Boese
Clerk/Treasurer