

## **Ely City Council Public Hearing Minutes – August 27, 2013**

The Ely City Council Public Hearing was called to order by Mayor Petersen at 5:00 p.m. on August 27, 2013 in the Council Chambers in City Hall.

PRESENT: Council members Debeltz, Kess, Nikkola, Omerza, Polyner, Shedly and Mayor Petersen (7)

ABSENT: None

Mayor Petersen stated that the purpose of this hearing is to give preliminary approval to the issuance of general obligation capital improvement plan bonds and adopting the capital improvement plan.

- A. Mayor Petersen gave a brief overview of the 2013-2017 Five-year Capital Improvement Plan for the City of Ely, MN. He stated that the CIP included two projects: renovation of City Hall and building a new library on Chapman St. The estimated cost for both projects is \$3,604,000 and requires General Obligation bonding of up to \$3,250,000. The CIP and the bonding require a public hearing and public input. GO Bonding does not require a referendum to be issued but requires a 2/3rds vote from the Council. Taxpayers can demand a referendum by presenting within 30 days a petition signed by 5% of the voters in the last election. The interest payments on a GO Bond of \$3.1 million dollars is approximately \$228,500 and would be paid for in the next two years by the increase in Local Government Aid. There should be no increase in the local tax levy in 2014.
- B. Public comment and concerns included: the debt is too much for the City and the taxpayers; the Community Center would become another abandoned building in the City; this is a poor decision in the face of common sense; the Council did not take into consideration any of the ideas that were brought forth from the three public hearings held earlier this year; some cost estimates for renovating the Community Center seemed out of line.

Council member Debeltz stated he would have liked the Library to remain in the CC but the cost for doing that was higher than building new.

Council member Kess stated that the difference in the operating costs for a new building as opposed to keeping the library in the CC was a cost of \$50,000 or only four cents a day to the taxpayers.

Council member Polyner stated she would have voted against looking into a new building for the library but she was not at that meeting when the vote was taken.

- C. **Nikkola/Shedly moved to approve the Resolution #2013-028 giving preliminary approval for the issuance of General Obligation Capital Improvement Plan Bonds in an amount not to exceed \$3,250,000 and adopting the City of Ely, MN Capital Improvement Plan. Roll called: Debeltz-yes, Kess-no, Nikkola-yes, Omerza-yes, Polyner-no, Shedly-yes and Mayor Petersen-yes. Motion passes 5 to 2.**

**Kess/Omerza moved to adjourn the meeting at 5:28pm. Motion passed unanimously.**

Claire Huisman  
Deputy Clerk