

## Council Minutes October 6, 2015

### Regular Meeting Ely City Council – City Hall, Council Chambers

1. CALL TO ORDER

Mayor Novak called the Regular City Council Meeting to order at 5:30pm.

2. ROLL CALL:

Present Council members A.Forsman, Kess, Debeltz, Omerza, Polyner, D.Forsman and Mayor Novak (7)  
Absent: None

3. APPROVAL OF MINUTES:

**Debeltz/D. Forsman moved to approve the minutes from September 15, 2015 Regular Meeting, from the September 28, 2015 Special Council Meeting, and the September 28, 2015 Study Session with the correction that A.Forsman was not present at the September 28, 2015 Special Council Meeting. Motion Carried Unanimously.**

4. ADDITIONS OR OMISSIONS TO AGENDA:

- A. Addition 8.A. Park and Rec Minutes from Sept 15, 2015
- B. Addition 9.E. ii. Burntside Ridge Trail Association (BRTA)
- C. Omission 13. E Taconite Trail Agreement
- D. Addition 9.A.ii CDBG Pre Application

**Debeltz/D. Forsman moved to accept the additions and omissions A-D. Motion Carried Unanimously.**

5. MAYOR'S REPORT

Mayor Novak mentioned to not commit him to events and meetings without consenting with him first; there have been too many occasions lately where the mayor has been double booked.

6. CONSENT AGENDA:

- A. Motion to waive readings in entirety of all ordinances and resolutions on tonight's agenda
- B. Approve Mayor, Council Members and Staff to attend the 2015 CGMC Fall Conference in Alexandria, MN on November 12-13, 2015.
- C. Approve Mayor, Council Members and Staff to attend the next Laurential Vision Partnership meeting on October 14, 2015 at the Mining and Reclamation Classroom in Chisholm.

**Debeltz/Omerza moved to approve the consent agenda items A-C. Motion Carried Unanimously.**

7. REQUESTS TO APPEAR:

- A. Barb Berglund- proposed water extension to properties on West Shagawa Road

Barb requested to direct Harold Langowski or John Jamnick to update a cost estimate to extend the water from the forest service to the four residents that are affected with contaminated water. The MCPA wants to move forward with a feasibility study and without a preliminary cost estimate they are unable to do the feasibility study.

Mayor Novak stated that he doesn't see why the tax payers in the City of Ely and the rate payers for the EUC should fund a feasibility study that does not benefit them. The funding for your request needs to come outside the City of Ely, we are not trying to be unfriendly. At the EUC meeting there was a discussion about forming a small group of Town of Morse board members and City of Ely EUC commissioners and councilpersons. Mayor Novak stated he has a hard time spending the City of Ely's tax payer's money for a Town of Morse resident.

Berglund asked if the old plan could be made available to her.

Langowski looked through the City of Ely's CIP from 2007 which was the last time the City had looked at that project. At that point they put together an estimate to get water and sewer out to the forest service. That information would be available to Berglund.

Berglund stated that the MPCA needs the feasibility study before it can move forward.

A.Forsman said at the EUC meeting they approved a meeting for the different entities including City of Ely and the Town of Morse to work together and look at the project. A.Forsman also said that if it is wrong for the City of Ely Engineer to spend City of Ely money for a non-city resident.

Berglund stated that she is a EUC customer.

Kess stated that it is city policy that we do not extend city utilities outside of city boundaries, it would require annexation.

Mayor Novak said that in the Comprehensive Land Use Plan states that it prohibits the extension of city services to areas outside current city limits without annexation agreements. Berglund is a Town of Morse citizen and that The Town of Morse needs to take care of her like we take care of our residents.

Omerza stated that we want to be good neighbors and we want to be helpful, but it would be nice to know the outcome of the Town of Morse meeting tonight.

Langowski stated that it would be approximately \$2000 for an updated cost estimate and for new concept sketch. In 2006 or 2007 when the city was looking at the project they did a survey with the residents past the sea plane base and many did not want city water and sewer in that area.

Lisa Berglund- Her mom owns the property right past the sea plane base. She stated that Eric Pederson is looking for an estimate of what it would cost. Since 2002 they have bought bottled water because of the dry cleaning chemicals in their water. Her mom is more than willing to annex to the city.

#### 8. COMMITTEE REPORTS:

Kess reported on the Permit Fee Task Force meeting. They have made some recommendations, but nothing to bring forward to the council yet.

Omerza reported on the Park and Rec Meeting they are shifting work from Whiteside Park to Semers Park. They are working on a site plan for Semers Park.

**Omerza/Debeltz moved to create a Site Plan for Semers Park. The whole cost being approximately \$3759.25, Ely Jaycees contributing \$1500, a private donor contributing \$1000, leaving the city with approximately \$1259.25. Motion carried unanimously.**

**Omerza/Debeltz moved to send Alyssa Nelson's VCC Class that did a clean-up at Semers a Thank You. Motion Carried Unanimously.**

Omerza reported on the Library meeting, they talked about the Library strategic plan. The library goals are 1. Patrons will have access to materials to enhance their leisure times and continue to learn throughout their lives. 2. Patrons will have safe and welcoming physical spaces to meet and interact with others or sit quietly and read. Patrons will also have open and accessible virtual spaces that support networking. 3. Young patrons will have an opportunity to gain a lifelong enjoyment of reading and the literacy skills they need to succeed.

**Polyner/D.Forsman moved to approve the Conditional Use Permit request by Phillip Larsen to operate an auto/truck repair center at 1140 E Main St within an R-1, Single, and Two Family Residential Zoning District. Motion Carried Unanimously.**

#### 9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

i. EUC Agenda Items from the regular EUC meeting of Wednesday, September 23, 2015:

1. Approved meeting with a councilperson, a member of the Morse Town Board and Barb Berglund on the water line request.
2. Approved the final contract with Minnesota Power and approved applying the rebate over sixteen months.
3. Approved the purchase of five 112 Kva 3 phase pad mount transformers from Dakota American Transformer for \$16,975.00, 5100 lf of 1/0 Al URD Primary Cable 220 MIL from Dakota Supply for \$11,612.76 and 2 ea J-Box cabinets from Border States for \$1,214.28.
4. Approved the purchase of a snow plow for the 2008 F250 pickup for the WWTF/WTP for \$5,050.00 from Trembath's Machine and Welding, Inc.
5. Approved the proposal for transducer testing from Utilities Plus Energy Services, Inc. for \$1,200.00.
6. Approved the proposal from Gulbranson Excavating Co. for the installation of three phase power to Business Park 2 for \$4,950.00.

**Debeltz/D. Forsman moved to approve the EUC Agenda Items 1-6. Motion Carried Unanimously.**

- ii. CDBG Pre-Application

**Debeltz/Omerza moved to approve the Clerk/Treasurer to submit the CDBG Pre-Application for the 2016 Improvements for \$150,000. Motion Carried Unanimously.**

B. Fire Chief

C. Library Director

The Strategic Plan for the Library is available at the library and on the city website. It is the 93<sup>rd</sup> Anniversary of the Ely Public Library tomorrow.

D. Police Chief

E. City Attorney: Attorney Klun needed to attend the Town of Morse Board meeting so these items were talked about after Omerzas Committee Reports.

- i. Old Ford Garage- Agreement for Donation of Real Property

Attorney Klun stated that the Signed Purchase Agreement for Donation of Real Property is signed by the donor Victor C. Venturi for the Old Ford Garage. Council would be picking up taxes on the property which is about \$3500. Attorney Klun received a cost estimate from Langowski for the demo of the Old Ford Garage which is approximately \$75,000-\$100,000. The City of Ely does have a potential purchase agreement from Mr.Ott for the Old Ford Garage for \$5000. Some concerns with the property are the high cost of demo and environmental work. Langowski stated that we have already done the environmental Phase 1 and Phase 2; the reports came back relatively clean. If the property were to be rehabbed as is, no demo or excavations of the foundation, we have a proposal from NTS to move forward with the MPCA with a cost of \$1300. The Planning and Zoning Commission and Projects Committee are looking at this project also.

Debeltz asked if there was money available from IRRRB if we have to do demolition.

Langowski stated that there is probably not money available this year; the majority of the funds have been used up for 2015.

Attorney Klun stated that we have a potential buyer; if the council has some concerns with the potential buyer we could re-visit the purchase agreement.

Mayor Novak stated that if the council wants to wait on the decision of what to do with the Old Ford Garage and get some more information on this matter, we can do that, let's get it right the first time.

Langowski stated that he could have a NTS geologist come to a council meeting or to a study session to discuss the different options with the council.

Mayor Novak stated we will be bringing up at a later date.

ii. Burntside Ridge Trail Association (BRTA)

**Debeltz/Omerza moved to authorize the City of Ely to join the Burntside Ridge Trail Association for a yearly price of \$200. Motion Carried Unanimously**

F. City Engineer

10. COMMUNICATIONS:

- A. Thank you from Jim Whiteside
- B. Thank you from Kinney/Richards Family regarding Reed Road
- C. MN Board of Peace Officer Standard and Training letter

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for October 6, 2015 for \$569,275.45.  
**Debeltz/D.Forsman moved to approve claims for payment item A. Motion carried unanimously.**

12. OLD BUSINESS:

A. 1041 E Washington Street- Memo

As of Friday October 2, 2015 the owner of 1041 E Washington Street has not complied with the order approved by the Ely City Council on August 26, 2015, the Ely City Council needs to move for Summary Enforcement of the order. It is recommended that the property be boarded and a request for quotations be solicited from local contractors and be published in the Ely Echo. All costs associated with this action will be assessed to the property as allowed by law.

**Kess/Omerza moved to proceed with the recommendations of the Clerk/Treasurer that the property be boarded and a request for quotations be solicited from local contractors and be published in the Ely Echo and opened on October 20, 2015 at 2pm. Motion Carried Unanimously.**

13. NEW BUSINESS:

A. Community Center Re-Use Proposal- Attorney Klun needed to attend the Town of Morse Board meeting so this item was discussed after the Burntside Ridge Trail Association.

Attorney Klun stated that this is a 1 year option for \$100 with the option to purchase after a year for fair market value or less. Klun stated it is exclusive so the City of Ely is just giving this group the right to purchase this property for 1 year.

Fedo explained that this option is several months of conversations and negotiations with this group's interest in Ely. A Data Collection Center was one of the discussions points during the priority sessions. To continue with the process the group wants to secure the site and to keep their business plan moving forward. The request tonight is to give them opportunity for the next year to potentially locate in the City of Ely and in the Community Center. Peter Schuler is the local point of contact for this particular company.

Mayor Novak stated he is in support of doing this, all of our rights are reserved, and we can always say no at the end.

Schuler stated that he was engaged as a consultant to the group of investors from various major cities in the US who have come together to look at a high technology project in the Ely Community Center. Schuler offered a few comments from the investors. The investors would like to thank the

city attorney for her efforts on the legal document. The agreement on this option to purchase is a one year agreement to investigate and to gain capital. This is a multi-million dollar project and they are approaching this cautiously and carefully. The investors would like to share their need to have site control, which is typical in this kind of investment of a high technology firms. They look forward to the council and mayors full approval.

**Kess/Debeltz moved to accept the Option to Purchase the Former Ely Community Center.**

Discussion:

Attorney Klun reiterated that if for example if the group came to the council in 9 months with a plan that the council did not like and stated that they would like to purchase the Community Center for fair market value, the city is obligated to sell.

Polyner questioned whether the council has to make a motion on this issue tonight. She would like to do more research.

Omerza would like to make it known that the council did not know about this until it was in the packet on Friday.

Kess stated that the Community Center Foundation originally wanted to keep it as a Community Center, but this project is more of a reality of what can be done with the building and also a benefit to the city. Even this isn't the original dream of the Community Center, Kess stated he is in support of this project.

D.Forsman stated that this is going to save the city over the long run, even if it is just a year, since they are in control of the building. D.Forsman stated he liked the restoration portion of the agreement that they do have to return it back the way the Community Center is now.

Polyner is concerned about the urgency of the proposal.

Mayor Novak stated that no one else is coming forward to purchase the Community Center, we cannot keep waiting.

Schuler stated that Data Centers are expanding all around the world and it is a wonderful source of seeding around the world for the high technology sector, and it provides a real source of jobs.

Angela Campbell stated that this is disturbing. The Option agreement favors the buyer more so than it favors the city. Campbell is concerned with the Successors and Assigns part of the Option to Purchase. Campbell does not see this as a viable option for the Community Center, she wants it to be a conference center. We need a conference center and hotel. Campbell is disappointed that the Community Center Re-Use study is not completed and that we do not have that to look at.

**Motion passed 6-1 with Polyner voting No.**

**B. Debeltz/Omerza moved to approve- JPJ-2015 Improvement Projects Partial Payment Estimate #2 - \$232,490.65. Motion Carried Unanimously.**

**C. Debeltz/Omerza moved to approve TKDA Certificate of Substantial Completion for Ely Runway 12/30 Reconstruction Ely Municipal Airport. Motion Carried Unanimously.**

**D. Debeltz/Omerza move to approve Resolution #2015- 035 Resolution Authorizing the City of Ely to Hire a Surveyor and Appraiser. WHEREAS, the City of Ely has a pump station just outside the City limits on Burntside Lake that supplies water to City residence. WHEREAS, Reed Road is the only road access to this pump station and the City of Ely has used Reed Road to access their pump station for over 50 years. WHEREAS, Reed Road also provides the only road access for several other parcels of land on Burntside Lake. WHEREAS, it is necessary for the City of Ely to utilize Reed Road for the public purpose of supplying water to its residents. WHEREAS, a survey and appraisal are needed because the City of Ely desires to acquire title to Reed Road to secure access to its pump station. NOW, THEREFORE BE IT RESOLVED, that the City Council of the City of Ely, Minnesota, does hereby adopt this resolution authorizing surveyor and appraisal services necessary to acquire title to Reed Road. Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.**

E. Omitted: Approve Taconite State Trail Cooperative Agreement between the State of Minnesota and the City of Ely.

**F. Debeltz/D.Forsman moved to approve Commercial Renovation Loan Application from John and Mary Mills from Mill Clothing Inc for \$17,500.00. Motion Carried Unanimously.**

14. OPEN FORUM- None

15. Mayor Novak adjourned the meeting at 7:18pm.

Casey Velcheff  
Deputy Clerk