

**Council Minutes November 3, 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: Council members A.Forsman, Kess(5:32pm), Debeltz, Omerza, Polyner, D.Forsman and Mayor Novak
3. APPROVAL OF MINUTES:  
**Debeltz/D. Forsman moved to approve the minutes from Regular Council Meeting on October 20, 2015, Special Council Meeting on October 27, 2015 and Study Session Minutes from October 27, 2015. Motion Carried Unanimously**
4. ADDITIONS OR OMISSIONS TO AGENDA:
  - A. Addition: 9.A . vi. Crushing recycle pile on Hwy 21- for 2016 Capital Projects
  - B. Addition: 10. D. Approve the request from the Chamber of Commerce to hold a Christmas Parade on November 28<sup>th</sup> at 5:00pm and also approve the activities in the park after the parade including a tree lighting ceremony, caroling and refreshments.  
**Debeltz/ A.Forsman moved to accept the additions A-B. Motion Carried Unanimously.**
5. MAYOR’S REPORT  
Mayor Novak congratulated the Ely Timberwolves Football, Boys and Girls Cross Country Teams for making it to State. At 8:15am on Friday, November 6, 2015 there will be a sendoff for the teams, line up on Sheridan Street from Lucky Seven to Babe’s Bait.  
Mayor Novak met with Senator Bakk on November 2, 2015 and addressed some issues. Mayor Novak went to St. Paul on November 5, 2015 with Tanner Ott and Angela Campbell for a grant for the marquee on the State Theater, it’s a historical grant that is available to them since the State Theater building is on the Historical Register.  
Mayor Novak is going to take part in a breakfast meeting with Mayors from around the Range and a representative of the Bureau of Land Management on Tuesday, November 10, 2015 at 7:30am.  
Mayor Novak mentioned that they are having some issues with ElyTV tonight, they are working on the situation and it should be up and working soon.
6. CONSENT AGENDA:
  - A. Motion to waive readings in entirety of all ordinances and resolutions on tonight’s agenda.
  - B. Approve Mayor, Council and Staff to attend the MCFOA Region II Liquor License Training on December 18, 2015 in Grand Rapids, MN.  
**D.Forsman/Debeltz moved to approve the consent agenda items A-B. Motion Carried Unanimously.**
7. REQUESTS TO APPEAR:
  - A. Frank Scherf- NE MN Law Enforcement Liaison – Safe & Sober award presentation  
Frank Scherf presented the Ely Police Department with new radar for the outstanding agency award for the third quarter of 2014. In the last year the Ely Police Department participated in a grant with the “Towards Zero Deaths” Program.

8. COMMITTEE REPORTS:

A. Standing/Special

A. Forsman stated that his committee's information is noted in the packet.

Kess stated that the RAMS is looking at a revised dues formula. Kess stated that the formula increased the City of Ely's dues; they tabled the revised dues formula and are going to bring it up at the next meeting.

**Omerza/Debeltz moved to accept Mark Matthys resignation from Park and Recreation Board. Motion carried unanimously.**

**Debeltz/Omerza moved to send Mark Matthys a Thank You for his services to the City of Ely. Motion carried unanimously.**

**Omerza/Debeltz moved to direct Attorney Klun to start the process of department head reviews for possibly the first meeting in December. Motion carried unanimously.**

Omerza is going to the Coalition of Greater Minnesota Cities fall conference next week.

Polyner discussed the three issues that were brought up to the Board of Adjustment. First they approved the Conditional Use Permit request by John & Tanner Ott to operate a child care center in an R-2, multifamily residential zoning district. Second they approved the variance request by Jeff Kemmer to allow construction of building within 10' of property line in an M, Industrial Zoning District. Third they approved issuance of a Conditional Use Permit to Hilligoss Partnership/Mike Motors to allow an Auto/Truck repair and sales within Central Business (C-1) Zoning District with conditions that common wall be inspected by building official and brought complaint, and that the Conditional Use Permit shall be reviewed in one year's time at the 2<sup>nd</sup> October meeting of 2016.

Kess questioned when the 3<sup>rd</sup> Avenue Camp to Washington project was going to be brought up to the council. Langowski stated that the project has been added to the 5 year plan and will be brought up to the council in the future.

Kess also urged the Planning and Zoning or Park and Recreation committee to review the location of the Trailhead Project. Polyner stated that she has heard a lot about the Trailhead Project from the community and would like to rule out other locations before we go forward. Mayor Novak asked what we want to do; we have talked about this issue numerous times. We have talked to the legislatures, we have bonding, and we have talked to Bob Manzoline from the Mesabi Trail that the trail is going to be on the West entrance to the City. Kess stated that he is disappointed with moving forward with a project that we are not all for. Langowski stated that the City has been working on this project since 2006. Polyner stated that she would like to see a map of where the trail is coming in. Mayor Novak said if there are other ideas for the location of the Trailhead we need them brought to the council. We have not heard from anyone yet. Langowski stated that the only comments he has heard about

different locations options were behind Pillow Rock and the Old City Garage. Mayor Novak stated if anyone has any other ideas to bring them up to the Planning and Zoning Commission, Park and Recreation Board, Projects, or call a council member or the clerk's office. Mayor Novak is going to bring up the Trailhead project on his radio show and see if any city residents have concerns.

B. Building Permit Fee Task Force Recommendations Presentation

Tim Hogan from the Building Permit Fee Task Force presented the recommendations of the Task Force. The biggest recommendation they have is to charge a fixed fee for maintenance items including roofing, siding, and windows.

Re-inspection Fee = \$47.00

Commercial Roof = based on valuation,

Residential Roof, Residential Siding, and Residential Door = \$50.00

\*Residential replacement window(s) 1-5 = \$50.00

\*Residential replacement windows 6 or more = \$100.00,

\*Replacement windows are defined by changing existing windows without making any changed other size or location of the rough opening.

Residential Furnace Permit (includes tank inspection) = \$90.00

Residential Boiler Permit (includes tank inspection) = \$90.00

Residential Fireplace Permit (includes tank inspection) = \$90.00

Water Heater Permit-electric = \$30.00

Water Heater Permit-gas = \$50.00

Mayor Novak thanked the Permit Fee Task Force for a job well done.

**Debeltz/Omerza moved to accept the report presented by the Permit Fee Task Force. Motion carried unanimously.**

**Debeltz/Omerza moved to direct the clerk to draft a resolution to modify the fee structure with a January 1, 2016 as the start date.**

Mayor Novak stated that the Permit Fee Task Force is dismissed without objection.

C. Minnesota Historic Preservation Conference Update

Celia Domich gave a presentation on the Minnesota Historic Preservation Conference that was held September 16-17, 2015 that Celia and Angela Campbell attended. One thing they learned about was preserving government records. By law records cannot be destroyed or transferred out without a management plan for records. If you have a management plan certain records can be destroyed after a certain time and others can be transferred to the State Archives. The Heritage Preservation Committee(HPC) is going to be working with Langowski and Velcheff to see if it is something the city is interested in doing. They also heard about other samples of successful preservation projects. Some of the things they learned will be in the HPCs Comp Plan and on their project list for 2016.

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

- i. **EUC CONSENT AGENDA:** The following items of business were recommended for approval at the regular EUC meeting of Wednesday, October 28, 2015:

1. **Debeltz/Omerza moved to approved changing the meeting dates for November from Veteran's Day and the day before Thanksgiving to Wednesday, November 18, 2015. Motion Carried Unanimously.**
2. **A.Forsman/Omerza moved to approve the preliminary budgets and Capital Improvements Plan for electric, water and sewer. Motion Carried Unanimously.**
3. **A.Forsman/Debeltz moved to recommended that the Ely City Council agree that treated municipal water can be extended at no cost to the City of Ely or the Town of Morse to the four properties on Brisson's Point currently in the super fund program.**

Kess's concern is if we provide utilities to an area outside of the City of Ely, annexation becomes much more difficult. Those properties should request to be annexed, and then we can develop a plan to provide services to them. Omerza stated that it goes against our city charter and Comprehensive Land Use Plan.

A.Forsman stated that he was on the Brisson's Point Water Task Group. The City has a general policy to not extend services beyond the borders and Town of Morse has a policy not to allow annexation. They discussed other options like selling bulk water to the Town of Morse and forming a sewer and water district. A.Forsman stated that it is possible for the City and Township to move forward without compromising each other's beliefs.

Omerza stated that we need a document from the MPCA stating what their stance is, how the water quality really is, what their issues are and what the options are.

Kess stated that if the residents really wanted this they would request annexation if they want the City of Ely's services.

Langowski stated that the hope of this motion was to allow the MPCA to do a feasibility study.

Mayor Novak stated that we have met all the demands of the Town of Morse with the regard to the west end annexation, over three months ago we had an agreement on the westend annexation, then we got a petition from four property owners to request for annexation for water and sewer. We met every criteria that was requested. When this issue first came up Mayor Novak went over to Barb Berglunds to try to work with her. Now Barb Berglund is saying that Langowski and Novak stabbed her in the back because they will not spend city taxpayer dollars to support a Town of Morse resident. This should be the Town of Morse leading everything on this issue not the City of Ely. We need to support our citizens and the tax payers of Ely.

A.Forsman stated that the current recommendation does not have a cost burden on it.

Omerza stated that we need more information from the MPCA.

Langowski stated that he can request from Eric Pederson from the MPCA what exactly the MPCA is looking for to continue the feasibility study for the super fund properties.

**A.Forsman called to vote to stop discussion. Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.**

**Motion on the table is to recommend that the Ely City Council agree that treated municipal water can be extended at no cost to the City of Ely or the Town of Morse to the four properties on Brisson's Point currently in the super fund program. Roll Called: A.Forsman-yes, Kess-no, Debeltz-no, Omerza-no, Polyner –no D.Forsman-no and Mayor Novak-no. Motion failed 6-1.**

**A.Forsman/Omerza moved to have Clerk/Treasurer Langowski draft a letter to the MPCA to give the City of Ely a firmer guideline as to how to proceed and as to what the MPCA is expecting. Motion carried unanimously.**

**4. Omerza/D.Forsman moved to approve payment of the EUC September 2015 bills list for \$276,996.23. Motion Carried Unanimously**

ii. Residential Demolitions

Langowski stated that he has been working with the owners of 98 West Chandler and 327 E Chapman concerning the demolition of their property. Both owners are applying to the IRRRB for assistance through the City of Ely. We are planning to draft an agreement with these owners to receive reimbursement for any City costs concerning this work. The quotes received were from NTS for \$2600.00 and from Braun Intertec for \$1990.00.

**Debeltz/Omerza moved to award the work to Braun Intertec for \$1990.00 to do the Hazardous Materials Assessment on the properties located at 98 West Chandler and 327 E Chapman. Motion Carried Unanimously.**

iii. City Car Quotes

We received two quotes for a small SUV to be used by the Clerk and Council. This vehicle will replace the 2007 Chevrolet Impala that is to be used by the Meter Reader as a replacement for the 1995 Jeep that is being taken out of service. The bids received were from Lundgren's in Eveleth, MN for a 2016 Ford Escape SE AWD for \$24,250.00 and from Mike Motors in Ely, MN for a 2016 Chevrolet Equinox AWD LT for \$25,713.00.

**Debeltz/Omerza moved to award the low quote of \$24,250.00 to Lundgrens in Eveleth for a 2016 Ford Escape SE AWD.**

Debeltz suggested that they use the quote from Mike Motors since they are a taxpayer in the City of Ely.

Kess spoke in opposition to give the quote to Lundgren's since they are not taxpayers in the City of Ely. With the small amount of difference in the price, we should be supporting local businesses.

**Roll Called: A.Forsman-no, Kess-no, Debeltz-no, Omerza-no, Polyner –no D.Forsman-no and Mayor Novak-no. Motion failed 7-0.**

**Kess/Debeltz moved to purchase the 2016 Chevrolet Equinox AWD LT for \$25,713.00 from Mike Motors. Motion Carried Unanimously.**

iv. New City Copy Machine Lease

**Debeltz/Omerza moved to accept the 60 month lease for a new Ricoh copy machine through Metro Sales. Motion Carried Unanimously.**

v. 2016 Infrastructure Improvements Projects- CDBG Resolution on November 17, 2015 Council Meeting

Langowski stated that the City of Ely is not required to have a Public Hearing for the 2016 Infrastructure Projects; there will be a resolution on the next council agenda concerning the 2016 Infrastructure Projects.

Mayor Novak requested that the Clerk publish the 2016 Infrastructure Projects in the paper before the next council meeting.

vi. Crushing recycle pile on Hwy 21- for 2016 Capital Projects

We received quotes for crushing of the recycled bituminous and concrete on Highway 21. The quotes received were Mesabi Bituminous for \$8700 and from Louis Leustek for \$8200. The unit price bid was \$4.45/ton from each bidder. The crushed material will be utilized in the 2016 street projects. The crushing will be funded through the public works budget and the Capital Projects.

**A.Forsman/Omerza moved to accept the low quote to Louis Leustek for \$8200 for mobilization and \$4.45/ton for the crushing of the recycled bituminous and concrete pile on Highway 21. Motion Carried Unanimously.**

B. Fire Chief

- Erchull thanked the Ely firefighters and Morse and Babbitt fire departments for their quick response to the fire at the college apartments. If it wasn't for everyone's efforts the result could have been a lot worse.
- Erchull stated that he has been applying for a matching grant with the DNR for the last 3 years and this year the Ely Fire Department received a \$575 matching grant for a generator.

**Debeltz/Omerza moved to accept the matching grant from the DNR for \$575 to purchase a generator. Motion carried unanimously.**

- Erchull stated that he is looking into applying for an AFG grant through a grant writer. Erchull stated that the Fire Department would like to apply for an Equipment truck grant. The grant writers cost is \$600.

Omerza asked how much the grant will cover in costs.

Erchull said there are different options for the grants, it could be a 50/50 grant it just depends on what we want to do.

Langowski stated that the proposed grant writer has a very good percentage at receiving grants. Langowski said he is in full support for using the grant writer.

Kess stated that as we are applying for a grant writer we need to know what the city is applying for, what equipment, and the timeline of the project.

Erchull stated once we get to the second round of the grant approvals that's when we would need to know how much the city's match would be.

Langowski stated that there is a Budget Meeting coming up and we can have the grant writer come up and have her talk to us about the timeline.

**Debeltz/Omerza moved to declare the intent to proceed to engage in the services of the grant writer, Lisa Burlage, based on the feasible options to**

**proceed with a grant for the Ely Fire Department. Motion carried unanimously.**

- Erchull stated that the five new recruits for the fire department are working out really well; they will start their schooling this winter. Also the fire department is still accepting applications.

C. Library Director

Heinrich has completed the first of the ten years of reporting for the library grant for the new building. The library is in the ninety-sixth percentile of buildings that are using the B3 process in Minnesota, which is our environmental process, which is required for any buildings in Minnesota that are receiving state bonding money. This means we have a very energy efficient building.

Check out the library website for the upcoming events going on at the library.

D. Police Chief

Calendar parking is in effect, the police department is currently giving out warnings, but tickets are coming soon.

E. City Attorney:

i. Update on 1041 E Washington St

There were two claims against the city by Luthera Smith, one in Federal Court and one in the State Court. The Federal Court claim is slated for dismissal, it is judge ordered dismissal. Smith will have 14 days after receiving the dismissal to object, if she does not object it will be dismissed.

We have answered the State Claim, we have requested an award of damages in excess of \$50,000 which includes the demolition of 1041 E Washington, the bills for the Humane Society staff time and Attorney Costs.

ii. Hospital Development Agreement

The Hospital Development Agreement has not been executed since the annexation has not been done the dates in the agreement will need to be pushed out.

**A.Forsman/Omerza moved to have Attorney Klun adjust the dates in the agreement and have the Mayor and Clerk/Treasurer sign the agreement. Motion Carried Unanimously.**

iii. City of Ely Rehab Loan – John and Mary Mills

**Debeltz/Omerza moved to approve the execution of the Mortgage and Note and to have the Mayor and Clerk/Treasurer sign the Rehab Loan for \$17,500 for John and Mary Mills. Motion carried unanimously.**

iv. Officer Carlson Indictment

**A.Forsman/Omerza moved to add item 9.E.iv Officer Carlson Indictment to the agenda. Motion carried unanimously.**

Attorney Klun stated that as of last Friday October 30, 2015 Officer Carlson was indicted for criminal sexual conduct in the 3<sup>rd</sup> degree, this is a felony grade offence. Mr. Carlson has been on paid administrative leave since April 2015, he was placed on the leave when the chief was made aware of the potential charges. Attorney Klun spoke with the County Prosecutor Gary Bjorklund, trial could happen at the earliest this spring, but it could be longer than that, it is not uncommon for matters to run out a year or more. If the city takes no action the City could have Officer Carlson on paid administrative

leave for at least more six months, but most likely longer. We have requested from the union that Officer Carlson be placed on unpaid leave, but they stated that they would object to that and grieve it. We have also asked that Officer Carlson would take a discretionary leave, on his own, which was also rejected. At this point the options to bring Mr. Carlson back to work, to keep him on paid administrative leave or to move towards negotiating a structured termination agreement. If Mr. Carlson is found guilty he will be terminated from his position with the City of Ely. Mr. Carlson has accrued approximately \$22,000 in sick and vacation and if he is terminated he would lose that. Attorney Klun requests that the City of Ely works with Mr. Carlson and his representative to try to negotiate a structured termination agreement.

**Kess/Omerza moved to authorize the City Attorney to negotiate with Mr. Carlson and his representative to negotiate a structured termination agreement. Motion Carried Unanimously.**

F. City Engineer

10. COMMUNICATIONS:

- A. Thank You – Ely Marathon
- B. Ely Health & Hospital Foundation- Annual Meeting- December 7, 2015
- C. MN Department of Health- 2014 Water Fluoridation Quality Award
- D. Approve the request from the Chamber of Commerce to hold a Christmas Parade on November 28<sup>th</sup> at 5:00pm and also approve the activities in the park after the parade including a tree lighting ceremony, caroling and refreshments.

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for November 3, 2015 for \$226,206.57
- B. Mesabi Humane Society Bill \$5875.00

**Debeltz/A.Forsman moved to accept the claims for payment A-B. Motion Carried Unanimously.**

12. OLD BUSINESS:

- A. **Debeltz/Omerza moved to schedule a Public Hearing on the Old Ford Garage on East Conan Street at 5:30 on November 24, 2015 the November Study Session will follow the public hearing. Motion carried unanimously.**
- B. Airport Commission Committee Opening

13. NEW BUSINESS:

- A. **Debeltz /Omerza moved to accept Gordon Shedly's resignation from HRA and TAB effective December 31, 2015 and also to post for any committees that have openings at this time. Motion Carried Unanimously.**

**Debeltz/Omerza moved to send a Thank You to Gordan Shedly for his dedicated service to the City of Ely. Motion Carried Unanimously.**

- B. **Debeltz /Omerza moved to approve MN Department of Natural Resources- Grant-In Aid- Agreements- City of Ely/Cross Country Ski – Hidden Valley Ski Trail -\$6481 for FY 16. Motion Carried Unanimously**

- C. Omerza/Debeltz moved to approve Resolution # 2015-038 Approving support of the US EPA Brownfield assessment grant application. **BE IT RESOLVED** that the City of Ely, Minnesota is a member of the Central Iron Range Initiative (CIRI) and is also a member of the CIRI Brownfield Redevelopment Program Coalition (Coalition), which was created as a collation of member communities for the purpose of seeking a US EPA Brownfield Assessment Grant.**BE IT FURTHER RESOLVED** that the City of Ely, Minnesota supports the US EPA Brownfield Assessment grant application which will be submitted to the US EPA on or before December 18, 2014 by the City of Virginia, Minnesota, on behalf of the Coalition. **BE IT FURTHER RESOLVED** that upon approval of the Coalition’s application to the US EPA, the City of Ely, Minnesota may enter into a Memorandum of Agreement with the City of Virginia for the above-referenced community-wide assessment project, and the that City of Ely, Minnesota certifies that it will comply with all applicable laws and regulations as stated in all contract agreements. **NOW, THEREFORE BE IT FINALLY RESOLVED** that the Mayor and Clerk/Treasurer of Ely, Minnesota is hereby authorized to execute such agreements as are necessary to implement the project(s) on behalf of the City of Ely, Minnesota. **Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.**
- D. Omerza/D.Forsman moved to approve Resolution #2015-039 authorizing the Application of the Knights of Columbus Council 3238 to conduct Bingo. **WHEREAS**, the Knights of Columbus, Council 3238, Ely, Minnesota 55731 have requested approval of the application to conduct a bingo on November 22, 2015 and December 13, 2015 at St Anthony’s Catholic Church Hall located at 231 E Camp St, Ely, MN 55731. **NOW, THEREFORE BE IT RESOLVED**, that the City Council of the City of Ely, Minnesota does hereby adopt this resolution. **Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.**

14. OPEN FORUM

15. Mayor Novak adjourned the meeting at 7:55pm.

Casey Velcheff  
Deputy Clerk