

Council Minutes December 1, 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 Regular Council Meeting on November 17, 2015, Public Hearing Minutes on November 24, 2015, and Study Session Minutes on November 24, 2015. Motion Carried Unanimously.
4. ADDITIONS OR OMISSIONS TO AGENDA:
 - A. Addition 13. I. Approve 2016 Pre-Application Checklist for the 2016 Connector Taxiway Project
Addition A was approved without objection.
5. MAYOR'S REPORT
The clerk's office will be open on Saturday, December 5, 2015 from 10-3 for Absentee Voting and until 5pm on Monday, December 7, 2015.
It was nice to see all the people out for the Christmas Parade and for the festivities in the park after.
Next Thursday, December 3, 2015 at 11:30am is the Annual Joint Powers Legislative Meeting at the Grand Ely Lodge.
6. CONSENT AGENDA:
 - A. Motion to waive readings in entirety of all ordinances and resolutions on tonight's agenda
Debeltz/D.Forsman moved to approve the consent agenda items A. Motion Carried Unanimously
7. REQUESTS TO APPEAR:
 - A. Dick Zahn presented a check for \$5000 from the American Legion to go towards the Veterans Memorial.
Debeltz/D.Forsman moved to support the Veterans Memorial by advertising and helping them find funds that are available for the Veterans Memorial. Motion Carried Unanimously.
8. COMMITTEE REPORTS:
Omerza reported that the Legislative Action Day is on March 16, 2015.

Polyner reported that the Interim Use Permit for the Wolf Track Classic Sled Dog Race for use of city property and closure of public roads on February 27th and 28th, 2016 was passed at the Planning and Zoning Meeting on November 18, 2015.

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, November 18, 2015:

1. Approved changing the meeting dates for December from December 9th and 23rd to Wednesday, December 16, 2015.
2. Approved putting the 1995 Jeep and the 1999 ¾ ton Chevy pickup and plow for sale on Do-Bid.
3. Approved payment of the EUC October, 2015 bills list for \$322,196.77.

Debeltz/D.Forsman moved to approve the EUC Consent Agenda items 1-3. Motion Carried Unanimously.

A.Forsman/Debeltz moved to put a mid 80's lawn mower on Do-Bid. Motion Carried Unanimously.

B. Fire Chief

C. Library Director

The Friends of the Library have a gift tree at the Library for Books, Videos, Audio Books, etc.

D. Police Chief

E. City Attorney:

- i. Old Ford Garage-36 E Conan Street- Purchase Agreement

Debeltz/A.Forsman moved to authorize the attorney to complete the transaction to purchase the Old Ford Garage at 36 E Conan Street. Motion Carried Unanimously.

Debeltz/Omerza moved to bring the proposal that the Ott's gave for the Old Ford Garage to the EEDA for discussion with John Fedo, then to bring it back to the council with what the Ott's plans are for the property.

Novak is concerned with the cost of the demolition when we have an interested party in purchasing the property who is willing to fix up the property.

Kess stated that the residents in the area have stated that they would like it to be a residential area. We can accommodate the expense for the demolition in the budget if we need to be.

Debeltz stated that there might be other uses for the property or other people might be interested in the property.

Langowski stated that the Ott's plan would be to improve the buildings for a light use that could possibly be a medical or dental office, exercise studio, art studios, or residential use.

A.Forsman stated that we are unsure of what the Ott's proposal is. What is their plan and timeline to restore the building and property?

Langowski stated that it might be best to reject Ott's offer and to open up for new proposals and to request additional information be provided on the proposal.

Debeltz/Omerza moved to call the question. Motion Passed 6-1 with Kess voting No.

Motion on the table was to bring the proposal that the Ott's gave for the Old Ford Garage to the EEDA for discussion with John Fedo, then to bring it back to the council with what the Ott's plans are for the property. A.Forsman-No, Kess- No, Debeltz-Yes, Omerza-Yes, Polyrner-No, D.Forsman-No, Mayor Novak-Yes: Motion Failed 4-3

A.Forsman/Debeltz moved to reject the current offer and to open up the proposals for the sale and redevelopment of the Old Ford Garage located at 36 E Conan Street until January 18, 2015. Motion Carried Unanimously.

ii. **Omerza/A.Forsman moved to approve the Quit Claim Deed for George Burger. Motion Carried Unanimously.**

iii. Reed Road Update

The Survey from Bear Island Land Surveying Inc has been completed and will be forwarded to the appraiser and then will be forwarded to Mrs. Reed.

Officer Carlson:

A.Forsman/Omerza moved to direct the City Attorney to start an investigation regarding Officer Carlson. Motion Carried Unanimously.

Attorney Klun stated that we are seeking information that both the prosecution and the defense have.

F. City Engineer

10. COMMUNICATIONS:

- A. CGMC Fall Conference Update
- B. RAMS 2015 Annual Meeting
- C. 2016 All Night Grad Party

11. CLAIMS FOR PAYMENT:

- A. Debeltz/Omerza moved to approve the City and EUC claims for payment from December 1, 2015 for \$102,936.96. Motion Carried Unanimously.**

12. OLD BUSINESS:

- A. Old Ford Garage- 36 E Conan Street- Ott Proposal –Previously discussed
- B. Spaulding Lots

Debeltz stated that he is uncomfortable with taking the lots back.

Langowski stated that someone dropped off a proposal wanting to purchase 2 lots and was wondering if that is possible.

Attorney Klun stated that she gave the council data in the packet on the Spaulding Lots.

Mayor Novak stated that the council should think this over before we make a decision. We don't want people to just sit on the lots and not build on them.

Langowski stated that we should start to think about Phase III and extending the water and sewer to those lots.

Mayor Novak stated that the Housing Study called for a Market Rate Housing need in the City of Ely and maybe the council should bring this up at study session with the HRA.

13. NEW BUSINESS:

A. Debeltz/Omerza moved to approve Resolution #2015-041 to authorize the calling for the redemption of the outstanding general obligation equipment certificates of indebtedness series 2008A Bonds on February 1, 2016.

WHEREAS: A. The City Council of the City of Ely, Minnesota issued \$740,000 General Obligation Equipment Certificates of Indebtedness, Series 2008A, dated October 1, 2008; and B. All of said certificates maturing on February 1, 2018, are subject to redemption, in whole or in part, and prepayment at the option of the City on February 1, 2016, and on any date thereafter at par plus accrued interest, all as provided in the resolution of the City authorizing the issuance of said certificates; and C. The City deems it desirable and in the best interest of the City to call \$185,000 of the outstanding certificates maturing in the year 2018, for redemption on February 1, 2016, in accordance with said resolution authorizing the issuance of said certificates, and NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Ely, Minnesota as follows: 1. \$185,000 of the General Obligation Equipment Certificates of Indebtedness, Series 2008A, dated October 1, 2008, of the City of Ely, Minnesota, maturing in the year 2018, shall be redeemed and prepaid on February 1, 2016, at 100% of their principal amount plus accrued interest for each such bond called. 2. The Clerk Treasurer is hereby authorized and directed to give mailed notice of call to the bank where said certificates are payable and said bank shall provide such notice to the holders of the certificates as may be required by law. Said notice shall be in substantially the attached form. 3. The Clerk Treasurer is hereby authorized and directed to deposit with the bank where said certificates are payable prior to said call date sufficient funds to pay all principal and interest due on the certificates as of the call date.

Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.

B. Omerza/Debeltz moved to approve Resolution #2015-042 to authorize the calling for the redemption of the outstanding general obligation equipment certificates of indebtedness series 2010A Bonds on February 1, 2016.

WHEREAS A. The City Council of the City of Ely, Minnesota issued \$205,200 General Obligation Equipment Certificates of Indebtedness, Series 2010A, dated February 23, 2010; and B. All of said certificates maturing on February 1, 2019, are subject to redemption, in whole or in part, and prepayment at the option of the City on February 1, 2015, and on any date thereafter at par plus accrued interest, all as provided in the resolution of the City authorizing the issuance of said certificates; and C. The City deems it desirable and in the best interest of the City to call \$84,600 of the outstanding certificates maturing in the year 2019, for redemption on February 1, 2016, in accordance with said resolution authorizing

the issuance of said certificates, and NOW THEREFORE, BE IT RESOLVED by the City Council of the City of Ely, Minnesota as follows 1. \$84,600 of the General Obligation Equipment Certificates of Indebtedness, Series 2010A, dated February 23, 2010, of the City of Ely, Minnesota, maturing in the year 2019, shall be redeemed and prepaid on February 1, 2016, at 100% of their principal amount plus accrued interest for each such bond called. 2. The City Clerk Treasurer, appointed as Paying Agent and Registrar, is hereby authorized and directed to give mailed notice of call to the holders of the certificates as may be required by law. Said notice shall be in substantially the attached form 3. The City Clerk Treasurer is hereby authorized and directed to send full payment to the holder(s) on said call date to pay all principal and interest due on the certificates as of the call date.

Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.

- C. Omerza/Debeltz moved to approve Resolution #2015-043 in support of increasing local government aid in the 2016 legislative session. WHEREAS, Local Government Aid (LGA) is a critical need for our city and WHEREAS, LGA provides funding to restrain property taxes on homeowners and businesses and WHEREAS, LGA provides for basic services such as public safety, infrastructure and fire protection and WHEREAS, The legislature and state agencies have imposed unfunded mandates upon local cities, including increased pension requirements, expensive wastewater infrastructure costs, among other mandates and WHEREAS, an LGA increase would help the City of Ely maintain and replace aging infrastructure through continued capital projects, maintain public safety services and reduce property tax increases required to improve infrastructure. WHEREAS, no Omnibus Tax Bill was passed by the 2015 legislature, thus freezing the LGA appropriation; THEREFORE, BE IT RESOLVED, that the City of Ely supports and increase in the base appropriation for Local Government Aid of \$45.5 million effective for aid payable in 2017 and urges adoption of this proposal by the House and Senate. BE IT FURTHER RESOLVED, that a copy of this resolution be sent to the following: the legislators representing the City of Ely, Speaker of the House Representative Kurt Daudt, Senate Majority Leader Senator Tom Bakk, House Tax Chair Representative Greg Davids, Senate Tax Chair Senator Rod Skoe, and Governor Mark Dayton.**

Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.

- E. Debeltz/Omerza moved to approve all 2016 Tobacco license renewal applications pending the receipt of all required documentation for the term of 1/1/16 to 12/31/16. Motion Passed 6-1 with A.Forsman voting No**
- F. Debeltz/Omerza moved to nominate Paul Kess for the RAMS Board. Motion Carried Unanimously.**
- G. CGMC Wastewater Legal and Regulatory Program- Matter of Information

H. Debeltz/Omerza moved to approve the Walker Giroux & Hahne – 2015 Audit Engagement Motion Carried Unanimously.

I. Omerza/D.Forsman moved to approve the 2016 PreApplication Checklist for the 2016 Connector Taxiway Project. Motion Carried Unanimously.

Mayor Novak recessed the meeting for 5 minutes

Meeting was resumed at 6:30pm for the Truth in Taxation Public Hearing.

Clerk Langowski and Assistant Treasurer, Dan Smith gave a slide presentation of the proposed 2016 Budget and proposed changes from 2015. Major changes and points of interest included:

- Total 2016 City Tax proposed - \$1,620,800
- This is a City wide increase of \$0 or 0% over 2015
- Taxable Market Value for 2016 grew \$6,776,400 compared to 2015
- Fiscal Disparities contribution decreased by \$1,460.90 compared to 2015
- Proposed Levy increase of \$0 along with an increase in net tax capacity and Fiscal Disparity Contribution equals a City Tax Rate Decrease of (4.7)%
- Changes in the 2016 Budget from 2015
 - General Fund – Decrease in Property Taxes of \$31,200 due to increased LGA revenues of \$12,700 and an overall decrease in general fund expenditures.
 - Economic Development - \$10,000 increase in expenditures for funding of the Event Coordinator - \$31,100 in Revenue for the new Special EEDA Levy
 - Debt Service - \$155,600 increase in Debt Service Budget due to the new Library and City Hall renovation Bond Issue. This will be offset in 2017 when two other Bond issues will be paid off in 2016
 - Capital Projects Fund - \$1,781,800 reduction in Capital Project Revenues and Expenditures due to the completion of the New Library, City Hall Renovation and the Airport Runway projects.

REVENUES by type		EXPENDITURES by function	
Grants and Aids	33.5%	Capital Outlay	40.2%
LGA	28.2%	General Government	9.7%
Property Taxes	21.7%	Public Safety	15.3%
Taconite Aid	4.0%	Culture & Recreation	5.2%
Airport Fuel Sales	2.3%	Airport	3.7%
Rents	4.0%	Economic Development	4.1%
Streets & Infrastructure	1.9%	Streets & Infrastructure	16.2%
Other	3.8%	Debt Service	4.9%
Special EEDA Levy	0.4%	Other	0.7%

D. A.Forsman/Omerza moved to amend Resolution #2015-044 approving and adopting final tax levy collectible in 2016 with a 1% decrease in the levy.

WHEREAS, the City of Ely is required by Minnesota Law to adopt a proposed levy for 2016, and to certify it to the St Louis County Auditor. **NOW, THEREFORE BE IT RESOLVED** that the Ely City Council adopts and approves the following sums of money to be levied for the current year, collectible in 2016, upon taxable property in the City of Ely, for the following

purposes: General Fund	\$ 992,592
Library Fund	252,400
Debt Service	<u>359,600</u>
Total Levy	\$ 1,604,592

BE IT ALSO RESOLVED, that the Ely City Clerk/Treasurer is hereby instructed to transmit a certified copy of this resolution to the County Auditor of St. Louis County, Minnesota.

Roll Called: A.Forsman-yes, Kess-yes, Debeltz-yes, Omerza-yes, Polyrner –yes D.Forsman-yes and Mayor Novak-yes. Motion carried unanimously.

E. OPEN FORUM

F. Mayor Novak adjourned the meeting at 6:56pm.