

Council Minutes, January 17, 2017
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. PRESENT: Council members A.Forsman, Kess, Debeltz, Omerza, Callen, and Mayor Novak

ABSENT: Council member D.Forsman

3. APPROVAL OF MINUTES:

Debeltz/Callen moved to approve the minutes from January 3, 2017 Regular Meeting and the November 29, 2016 Special Council Meeting revised minutes. Motion Carried 6-0-1 with D.Forsman Absent.

4. ADDITIONS OR OMISSIONS TO AGENDA:

A. Addition 6.D Motion from Projects Meeting.

B. Addition 9. D. ii Resolution 2017-002 Resolution Declaring No Parking during the Hours of 2:00AM and 6:00AM on Certain City Streets.

C. Addition 9. E. ii. State of Minnesota vs Jason Carlson

D. Addition 9. E. iii. Offer from Luthera Smith

E. Addition 11. D. G Men Invoice #64473 for \$33,496 and Invoice #64493 for \$8,398 both for 2016 Blight Demolitions

F. Addition 12.C Ordinance 306 Point of Sale

Additions A-F added without objection.

5. MAYOR'S REPORT

Debeltz/Kess moved to cancel the January 31, 2017 Study Session. Motion Carried 6-0-1 with D.Forsman Absent.

6. CONSENT AGENDA:

A. Motion to waive readings in entirety of all ordinances and resolutions on tonight's agenda

B. (19-22) Approve the Interim Use Permit to allow the use of a storage garage at 1001 East Conan Street with the following conditions:

- The maximum building size is 1200 square feet with 12 foot side walls
- There is no commercial or rental use allowed on the property, personal use only
- There is to be no external storage with all equipment and materials to be stored inside
- The requirement of an Interim Use Permit must be made at the Point of Sale.

As recommended by the Planning and Zoning Commission.

C. (23-24) Approve the variance request of Peggy Shambaugh Kovall for the construction of a 30' by 40' garage at 1001 East Conan Street with the conditions that all applicable City Code and zoning requirements be followed, the building have side walls no higher than 12 feet, and the garage be placed on the property to not impede future home construction on the property as recommended by the Board of Adjustment.

D. (Additions 4-5) Approve that the \$41,000 refund from MNDOT from the City's portion of the Highway 169 Overlay Project be added to the City's Capital Fund as recommended by the Projects Committee.

Debeltz/Callen moved to approve the Consent Agenda Items A-D. Motion Carried 6-0-1 with D.Forsman Absent.

7. REQUESTS TO APPEAR: None

8. COMMITTEE REPORTS:

Council Member Callen reported that he attended his first Gardner Trust Meeting and that his last day as a EUC Commissioner will be on January 25, 2017.

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

- i. EUC CONSENT AGENDA ITEMS: The following items of business were recommended for approval at the regular EUC meeting of Wednesday, December 14, 2016: Approved the Ely Winter Festival request for in-kind services.
 1. Approved substation testing from Utilities Plus Energy Services, Inc. for \$9,160.00.
 2. Approved the Eaton Quotation #21658112 for 100 electric meters for \$11,112.90.
 3. Approved the Eaton Quotation #21661655 for load management repair for \$2,400.00.
 4. Approved the signing the easement from Lake Country Power.
 5. Approved payment of the Minnesota Power bill for December for \$261,864.30.
 6. Approved payment of the EUC December Bills List for \$264,280.36.**Debeltz/A.Forsman moved to approve the EUC Consent Agenda Items 1-6 from the December 14, 2016 EUC Meeting. Motion Carried 6-0-1 with D.Forsman Absent.**

B. Fire Chief

Chief Erchull stated that the Jaws of Life demonstration for the department is this coming Saturday. The testing for the new fire department members is tonight. Reminder it is Chimney Fire Season, check and double check your chimneys.

C. Library Director

Library Director Heinrich gave an update of the upcoming events at the library which are located on the Library website.

D. Police Chief

- i. **Omerza/Debeltz moved to Hire Bradley Roy as the new police officer contingent on passing psychological, physical, background tests. Motion Carried 6-0-1 with D.Forsman Absent.**
- ii. **Debeltz/Omerza moved to approve Resolution 2017-002 Resolution Declaring No Parking during the Hours of 2:00AM and 6:00AM on Certain City Streets. Roll Called: Council Members A.Forsman- Yes, Kess- Yes, Debeltz- Yes, Omerza- Yes, Callen- Yes, and Mayor Novak – Yes with D.Forsman-Absent**

E. City Attorney:

i. Disbursements of Korpi Family Trust and 501c3 request

Attorney Klun stated the City was given a gift of \$300,000 from the Korpi Family Trust which monies are to be used at the Ely Cemetery. The concern that we are having is the way the trust is set up is that any income that is made it is also being paid for in Capital Gains. Last year the trust made about \$2400 in income and all of that was paid in Capital Gains for taxes. One of the suggestions is to convert this trust into a 501c3. Attorney Klun stated that her suggestion would be for the city to convert this in to a 501c3, but there are costs associated with this, the costs could be around \$1500-\$4000.

Debeltz stated that he thinks this is a good idea since the cemetery committee has projects that they would like to get done.

Attorney Klun stated that it would be beneficial to invite Thrivent Mutual Funds, the Korpi Trust Trustees David Kess and Mary Zup, and Gardner Trust to get input on how they run their Trust, to the February Study Session. Council agreed without objection.

ii. State of Minnesota vs Jason Carlson

Attorney Klun stated that there was a trial scheduled for January 17, 2017 for Mr. Carlson and he entered into a plea of guilty in Misdemeanor or Gross Misdemeanor Case, the plea was for misconduct of a public officer, MN Statute 609.43(2) which indicates misconduct of a Public Officer or Employee in the capacity of such officer or employee, does knowing it is excess of lawful authority or knowing it is forbidden by law to be done in that capacity. The plea agreement that Mr. Carlson agreed to indicates that he engaged in sexual conduct with an individual who was at least 16 but had not reached the age of 18, and that he knew he could not do so. Attorney Klun's recommendation based on his plea is to put Mr. Carlson on unpaid leave of absence or unpaid administrative leave. The next step will be to have a hearing with these facts and our investigation.

Omerza/A.Forsman moved to put Mr. Jason Carlson on unpaid administrative leave. Motion Carried 6-0-1 with D.Forsman Absent.

iii. Offer from Luthera Smith

Attorney Klun stated that she received a hand written offer from Ms. Luthera Smith. The offer is for the sale of her four city lots for \$15,000 with the city paying the taxes and closing costs.

Debeltz/Omerza moved to accept the offer from Ms. Luthera Smith for the sale of her four city lots for \$15,000 with the city paying the taxes and closing costs. Motion Carried 6-0-1 with D.Forsman Absent.

F. City Engineer

10. COMMUNICATIONS:

A. Iron Range Economic Alliance (IREA) Meeting Notice and Minutes

B. Iron Range Youth in Action (IRYA) – 22nd Annual Young Leaders Conference: Make a Difference 2017

C. 2016 Passport Sales

11. CLAIMS FOR PAYMENT:

- A. **Debeltz/Omerza moved to approve the City and EUC claims for January 17, 2017 for \$631,097.03. Motion Carried 6-0-1 with D.Forsman Absent.**
- B. Pay Estimate #3 for the 2016 Connector Taxiway to Hoover Construction for \$480,386.50
- C. Iron Range Economic Alliance(IREA) 2017 Membership Dues - \$50.00
- D. **G Men Invoice #64473 for \$33,496 and Invoice #64493 for \$8,398 both for 2016 Blight Demolitions.**

Debeltz/Omerza moved to approve Claims for Payment B, C, and D. Motion Carried 6-0-1 with D.Forsman Absent.

12. OLD BUSINESS:

A. Legal Printing Bids

Debeltz/Omerza moved to award the 2017 Legal Printing Bid to The Ely Echo for the legal and display add publication for 2017 and designate them the official publication. Motion Carried 6-0-1 with D.Forsman Absent.

B. Committee Assignments

Debeltz/Callen moved to accept the 2017 Council Committee Representatives. Motion Carried 6-0-1 with D.Forsman Absent.

A.Forsman/Debeltz moved to accept the following committee appointments.

- **Airport Commission: Marolyn Matthys and William Vosburgh – Terms Expiring January 31, 2020.**
- **Heritage Preservation Committee: John Huisman, Celia Domich, and James F Beaty – Terms Expiring January 31, 2020.**
- **Housing & Redevelopment Authority: John Lahtonen, Vicki Wagner – Terms Expiring December 31, 2022.**
- **Library Commission: Rebecca Zientek, Jessica Dunn – Terms Expiring January 31, 2020.**
- **Park and Recreation: Kelly Klun, Craig Ohlhauser, Darren Visser, and Rachel Heinrich – Terms Expiring January 31, 2020.**
- **Police Commission: Dick Zahn and Anthony Bermel – Terms Expiring January 31, 2020.**
- **Telecommunication Advisory Board: Judy Niemela – Term Expiring January 31, 2019.**

Motion Carried 6-0-1 with D.Forsman Absent.

Omerza/Debeltz moved to approve Gordon Sheddy with term expiring January 31, 2020 and Jordan Richards with term expiring January 31, 2018 to the Ely Utilities Commission. Motion Carried 6-0-1 with D.Forsman Absent.

C. Ordinance 306 – Point of Sale

Omerza/Debeltz moved to change Subd. 4 E. Any deficiencies discovered during the inspection shall be disclosed at the point of sale and shall be corrected within 12 months not 6 months as previously written, and also to change the effective date of the ordinance to April 1, 2017. Motion Carried Motion Carried 6-0-1 with D.Forsman Absent.

13. NEW BUSINESS:

- A. **A.Forsman/Debeltz moved to approve the State of Minnesota Amendment of Lease Amendment No.2 Lease No. PS0035 for Motorcycle skill testing on public street space. Motion Carried 6-0-1 with D.Forsman Absent.**

14. OPEN FORUM

15. ADJOURN

Mayor Novak adjourned the meeting at 6:26pm without objection.

Casey Velcheff
Deputy Clerk