

## **Council Minutes - September 5, 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, D.Forsman and Mayor Novak  
ABSENT: None
3. APPROVAL OF MINUTES:  
**Debeltz/D.Forsman moved to approve the minutes from the August 15, 2017 Regular Meeting and Study Session on August 29, 2017. Motion Carried Unanimously**
4. ADDITIONS OR OMISSIONS TO AGENDA:  
A. Addition 8.A.i. Park and Recreation Minutes  
**Item A Added without objection**
5. MAYOR'S REPORT  
Mayor Novak stated that he is attending the Campus/Community Connection Day at Vermillion Community College tomorrow to greet the students.
6. CONSENT AGENDA:  
A. Motion to waive readings in entirety of all ordinances and resolutions on tonight's agenda.  
B. (8)Approve Staff to attend the MnGFOA Annual Conference in Alexandria, MN September 27-29, 2017.  
C. (9)Approve Council and staff to attend the League of Minnesota Cities Regional Meetings.  
**Debeltz/D.Forsman moved to approve the consent agenda items A-C. Motion Carried Unanimously.**
7. REQUESTS TO APPEAR:  
A. Anna Nelson –President Ely High School Student Council – Homecoming Parade/Events  
Anna Nelson President of the Ely High School Student Council and two other members of the Ely High School Student Council asked the council to approve having a Homecoming Parade on September 23, 2016 at 4pm. Bianco stated that the parade route would begin at the school bus garages on 7th Avenue, taking a left on Harvey Street taking a right on 2<sup>nd</sup> Avenue then taking a right on to Sheridan Street then taking a right on to 7<sup>th</sup> Avenue and ending at the school bus garages.  
**Debeltz/D.Forsman moved to approve the Homecoming parade on September 29, 2017 at 4pm and to work with the Police Chief on the route. Motion Carried Unanimously.**  
B. Greg Knutson, CPA with Walker, Giroux & Hahne presented a review of the 2016 Audit. The only deficiencies noted was the Segregation of Duties which occurs due to the limited number of personnel within the City's administration office, the segregation of accounting functions necessary to ensure adequate internal accounting control is not possible. It was recommended that officials and management should constantly be aware of this condition, attempt to segregate duties as much as possible and provide oversight to partially compensate for this deficiency.  
Management Points included: 1) The Ely Housing and Redevelopment Authority (HRA) is a component unit of the City and is required to be presented in the City's financial statements as a discretely presented component unit. The HRA receives federal funding from the U.S. Department

of Housing and Urban Development, which is audited by other auditors and that audit information is reported in the City's audit. For the past two years the HRA audit has not been completed by June 30<sup>th</sup>, requiring the City to request an extension for the City's audit. We strongly recommend that the HRA audit be completed well before June 30<sup>th</sup> to allow for the City's audit to be completed by the June 30<sup>th</sup> due date. 2) We also recommend that the City review and update the "Conflict of Interest" Policy if necessary. This policy should be distributed to respective employees, council, commission and board members on an annual basis and an acknowledgement kept on file.

**Debeltz/A.Forsman moved to approve the findings of the audit report. Motion Carried Unanimously.**

8. COMMITTEE REPORTS:

A. Standing/Special  
Projects Committee

**D.Forsman/Debeltz moved to approve the recommendation from the Projects Committee to approve the proposal from Bear Island Surveying to establish the Right of Way on 3<sup>rd</sup> Ave E for \$1,157.25 and to split the bill with the adjoining property owner. Motion Carried Unanimously.**

Budget Committee

**A.Forsman/D.Forsman moved to approve the recommendation from the Budget Committee to change the equipment schedule for the Fire Department Water Tender and to forward the request to the council for further discussion.**

Kess stated that the reason he is in opposition is that this change in the priority timeline means that the City will acquire a chassis for a water tender, but in doing so it requires that the city will make progress on converting the chassis to a water tender which would cost a couple hundred thousand dollars of City funds.

A.Forsman stated in 2023 the tender is scheduled to be replaced for \$280,000. By getting the chassis now we would save approximately \$70,000 and moving the tender up from 2023 to 2020 on the schedule.

Chief Erchull explained the ISO ratings and why this would improve the cities ratings.

Mayor Novak stated that he would like the city to increase their capital fund reserves. We have the 17<sup>th</sup> Avenue Project and 7<sup>th</sup> Avenue Projects coming up in which we will need capital fund reserves to complete. Mayor Novak sees this as more of a want than a need for this request.

Omerza stated that she is hesitant with the reports she is hearing from St. Paul with the budget and LGA and the potential turn in the economy.

**Roll Called: A.Forsman-Yes, Kess-No, Debeltz-Yes, Omerza-No, Callen-Yes, D.Forsman-Yes, and Mayor Novak-No Motion Carried 4-3**

Recommendation from the Budget Committee to approve the preliminary levy with a 2% increase from 2017 or \$1,698,606. (see resolution under New Business)

**A.Forsman/Debeltz moved to approve recommendation from Budget Committee to incorporate the Historic Preservation Commission's request for \$1,000 in the 2018 budget. Motion Carried Unanimously.**

Telecommunications Advisory Board Meeting

Received 2 proposals for Ely Public Access Television Station, the committee interviewed the 2 candidates and the contract will be discussed at the next TAB meeting.

Employee Relations Committee

**Omerza/Debeltz moved to approve the recommendation from the Employee Relations Committee to recommend Mark Walker for the Equipment Operator II Position. Motion Carried Unanimously.**

**Omerza/D.Forsman moved to approve the recommendation from the Employee Relations Committee to keep the number two candidate on the hiring list for twelve months if another Equipment Operator II position opens. Motion Carried Unanimously.**

Events Coordinator Bureau Meeting Agenda

Working on organizing the marathon, signups are ahead of last year.

Park and Recreation Board

**Omerza/Debeltz moved to approve the recommendation from the Park and Recreation Board that JPJ complete a grading plan done for Semers Park. Motion Carried Unanimously.**

**Omerza/Debeltz moved to approve the recommendation from Park and Recreation Board that JPJ complete a grading plan for the Wheel Park. Motion Carried Unanimously.**

**Kess/Debeltz moved to send a letter of recognition and appreciation to the Garden Club. Motion Carried Unanimously**

Debeltz thanked Langowski, Popesh and the Public Works Crew for the clean-up and grass cutting at the softball fields before the Labor Day Tournament.

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, August 23, 2017
1. Approved participating in the Salvation Army HeatShare Program for 2017-2018.
  2. Approved payment of the June EUC Bills List for \$347,318.66.
  3. Approved a Lighting Rebate for Shopko for \$519.11.
  4. Approved payment of the Bear Island Surveying, Inc. Invoice #202906 for \$4,892.25 for flagging the right of way for the utility line west of Shagawa Lake.

**Debeltz/Callen moved to approve the EUC Consent Agenda Items 1-4. Motion Carried Unanimously.**

B. Fire Chief

Chief Erchull stated that the Public Safety Open House will be on Wednesday, September 27<sup>th</sup> from 3-6pm at the Ely Fire Hall.

C. Library Director

Library Director Heinrich gave an update of the upcoming events at the library which can be located on the Library Website.

D. Police Chief

Chief Lahtonen stated that Adam Borchert started working this week. Also School is open please drive carefully around the school grounds.

E. City Attorney

F. City Engineer

10. COMMUNICATIONS:

- A. St Louis County Community Development Block Grant(CDBG) FY18 Open Houses and Public Meeting on Fiscal Year 2016 Program Accomplishments
- B. Correspondence from Mike Ziemkowski – Thank you
- C. Correspondence from Relay for Life – Thank you
- D. Correspondence from Ely Bloomenson Community Hospital –Thank you
- E. Correspondence from Coalition of Greater Minnesota Cities regarding Environmental Action Fund Voluntary Assessment
- F. Correspondence from Up North Jobs

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for September 5, 2017 - \$296,818.58
- B. League of Minnesota Cities Membership Dues Invoice for 2017-2018 for \$3,697
- C. Minnesota Mayors Association Dues for 2017-2018 for \$30
- D. Coalition of Greater Minnesota Cities 2018 CGMC Dues Invoice for \$6,103
- A.Forsman/Debeltz moved to approve the claims for payment A-D. Motion Carried Unanimously.**
- E. Coalition of Greater Minnesota Cities 2018 Voluntary Assessment for Environmental Action Fund for \$1,191 – No Action Taken

12. OLD BUSINESS:

- A. Approve Committee Appointment  
**Debeltz/D.Forsman moved to approve Alan White to the Planning and Zoning Commission with the Term Expiring January 31, 2020. Motion Carried Unanimously.**

13. NEW BUSINESS:

- A. Debeltz/Omerza moved to approve the Residential Rehab Loan Program with an interest rate of 2%, and to remove the low income families and income guidelines. Motion Carried Unanimously.**

- B. Debeltz/Callen moved to approve the Partial Payment Estimate #1 for the Chandler Area Improvements/Pioneer Road Improvements Project to Quam Construction Company for \$111,628.75. Motion Carried Unanimously.**
- C. Debeltz/D.Forsman moved to approve Dorothy Molter Museum’s Application and Permit for a 1 Day Temporary Consumption and Display Permit for September 28, 2017 pending proper paperwork and fees. Motion Carried Unanimously.**
- D. Debeltz/D.Forsman to approve the 24<sup>th</sup> Annual Harvest Moon Festival Work Request for City Workers and to work with Langowski to coordinate. Motion Carried Unanimously.**
- E. Work Order Confirmation for Semer’s Park Pathway and Site Plan – Approved under the park and recreation committee report.
- F. Debeltz/Omerza moved to approve Resolution 2017-026 Resolution Approving and Adopting Proposed Tax Levy Collectible in 2018. Roll Called: A.Forsman-Yes, Kess- Yes, Debeltz-Yes, Omerza-Yes, Callen-Yes, D.Forsman-Yes, Mayor Novak- Yes Motion Carried Unanimously.**
- G. Debeltz/Callen moved to approve the FY18 Snowmobile Maintenance Grant Agreement for Ely Lakes to Vermillion Lake Snowmobile Trail for \$20,987.47. Motion Carried Unanimously.**
- H. Omerza/Debeltz moved to approve the FY18 Hidden Valley Ski Trail GIA FY2018, Grant Agreement for \$6481.00. Motion Carried Unanimously.**
- I. Omerza/Kess moved to approve the Ely Community Resource request for \$5000 for the 2018 budget to add an additional staff member to the ECR team. Motion Carried Unanimously.**

14. OPEN FORUM

15. ADJOURN

Mayor Novak Adjourned the meeting at 6:45pm without objection.

Casey Velcheff  
Deputy Clerk