

Council Minutes - September 4, 2018
Regular Meeting Ely City Council – City Hall, Council Chambers

1. CALL TO ORDER: Mayor Novak called the Regular 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 21, 2018 Regular Council Meeting and the August 28, 2018 Study Session. Motion Carried Unanimously.
4. ADDITIONS OR OMISSIONS TO AGENDA
 - A. Addition 5.A. Sale of Land South of Ely
 - B. Addition 13.J Final Pay Estimate #12 for the 2016 Connector Taxiway Project for \$29,427.09 to Hoover Construction**Items A and B added without objection.**
5. MAYOR'S REPORT
 - A. Sale of Land South of Ely
Mayor Novak stated late last week the city received notice that St Louis County Board was meeting and had a resolution on their agenda from Commissioner Rukavinal to sell two parcels of land to the Town of Morse. The City of Ely asked for a land swap for this land a couple years ago for economic development. Mayor Novak went to the St Louis County Board meeting this morning to request that this matter goes to the Land Commission and/or Planning Commission so discussion could be had between the Town of Morse and the City of Ely. Novak was notified this afternoon that the County is putting a resolution on the County Board Meeting for next Tuesday for the sale of these two parcels located South of Ely. Mayor Novak stated that this blocks any access to land south for any future economic development.
Debeltz/Callen moved to have a Special Council Meeting on September 11, 2018 at 9:30am at the Duluth Courthouse located at 100 N 5th Ave W, in Duluth for the St. Louis County Board meeting regarding the Sale of Land South of Ely. Motion Carried Unanimously.
6. CONSENT AGENDA
 - A. **Debeltz/D.Forsman moved to waive readings in entirety of all ordinances and resolutions on tonight's agenda. Motion Carried Unanimously.**
7. REQUESTS TO APPEAR
 - A. Angela Campbell –Present my proposal for the CC
Campbell stated that she plans on submitting a full business plan within 3 weeks. Campbell stated that her goal is to restore the iconic building and to preserve the original intent of the cultural heritage of the Ely Community Center.

8. COMMITTEE REPORTS

A. Standing/Special

Park and Recreation Board

Omerza mentioned that the city received several pictures of dogs in the park during the Farmer's Market. Omerza discussed that the Farmer's Market has been handling the issue of dogs in the park during the Farmers Market. The Farmer's Market also decides on the dates of the market and today is the last night of the Farmer's Market.

Planning & Zoning

Callen mentioned that Planning and Zoning will be having two Public Hearings for vacation requests on September 19, 2018.

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

i. The following items of business were recommended for approval at the regular EUC meeting of Wednesday, August 22, 2018:

1. Approved denying the request to pass the sewer inspection at 520 E. Sheridan St. and enforce that Clerk-Treasurer Harold Langowski can override inspection reports.
2. Approved purchase of eight street lights for \$22,528.00 from WESCO.
3. Approved the purchase of filter media for the WTP from Aquapure for \$9,367.00
4. Approved payment of the July EUC Bills for \$354,964.90.
5. Approved the lighting rebate for the Grand Ely Lodge for \$3,357.51.

A.Forsman/D.Forsman moved to approve the EUC Consent Agenda Items 1-5. Motion Carried Unanimously.

A.Forsman mentioned that all businesses are eligible for the lighting rebates.

B. Fire Chief

Fire Chief Erchull stated that the Fire Department is receiving an Assistance to Firefighter Grant (AFG) from the US Department of Homeland Security for \$126,711 for new air packs.

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 reminded everyone that school has started, please slow down and parents please drop off the kids on the sidewalk side of the street.

E. City Attorney

Sale of Community Center – Review of Counteroffer from K America Foundation

A.Forsman/D.Forsman moved to close the meeting after open forum to develop a counter offer with K-America Foundation for the Community Center at 30 S 1st Ave E per MN Statute 13D. Motion Carried Unanimously.

F. City Engineer

10. COMMUNICATIONS:

- A. St Louis County Community Development Block Grant (CDBG) FY 2019 Program Open Houses and Public Hearing on FY 2017 Program Accomplishments
- B. Memorandum to the Ely City Council from Gerry Snyder

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for September 4, 2018 for \$630,640.29
- B. Greater MN Partnership 2019 Membership Dues for \$500.00
- C. League of Minnesota Cities 2019 Membership Dues for \$3692.00
- D. Minnesota Mayors Association 2019 Membership Dues for \$30.00

Debeltz/D.Forsman moved to approve the claims for payment items A-D. Motion Carried Unanimously.

12. OLD BUSINESS:

- A. Bowling Alley Suspension

Attorney Klun stated that the Ely Bowling Alley's liquor liability insurance was suspended on Thursday, June 28, 2018 for non-payment. According to Ely City Code 5.02 the council shall suspend any license for the sale of alcoholic beverages for violation of any City Code provision State or Federal Law regulating the sale of alcoholic beverages, the First violation is a license suspension for 3 days. EBA Enterprises sent a letter to the council requesting the dates of closure be September 30th – October 3rd since they currently have children's birthday parties booked for the weekend dates prior to the requested closure dates.

A public hearing was held before the council meeting.

Kess stated that the code says as soon as practical.

Chief Lahtonen stated that other violators have followed the code.

Kess/A.Forsman moved to suspend the Ely Bowling Alley's On Sale and Sunday Liquor License for the days of September 6, 7, 8th for violation of the Ely City Code Sec. 5.14 on June 28, 2018 when the Ely Bowling Center's Liquor Liability Insurance was canceled for non-payment. Motion Carried Unanimously.

13. NEW BUSINESS:

- A. **Debeltz/Omerza moved to approve Resolution 2018-029 Resolution Approving and Adopting Proposed Tax Levy Collectible in 2019. Roll Called: A.Forsman – Yes, Kess – Yes, Debeltz – Yes, Omerza – Yes, Callen – Yes, D.Forsman – Yes and Mayor Novak – Yes. Motion Carried Unanimously.**
- B. **Debeltz/Omerza moved to approve Partial Pay Estimate #4 for the 17th Avenue East/7th Ave East/Water Tower Supply Line Project for \$567,387.07 to Casper Construction Inc. Motion Carried Unanimously.**
- C. **D.Forsman/Omerza moved to approve Change Order #3 for the Chandler Area Improvements/ Pioneer Road Improvements which decreases the contract amount by \$97,740.68. Motion Carried Unanimously.**

- D. Debeltz/D.Forsman moved to approve the Final Payment Estimate #6 for Chandler Area Improvements/ Pioneer Road Improvements project for \$206,758.25 to Quam Construction Company. Motion Carried Unanimously.**
- E. Debeltz/D.Forsman moved to approve the Residential Rehab Loan for Ann Loscheider for \$6500 for 336 W Harvey St to replace furnace, replace windows, repair roof, replace door, replace siding and repair crumbling concrete entry steps pending proper paperwork and fees and direct Attorney Klun to work with the applicant and to proceed with the loan processing. Motion Carried Unanimously.**
- F. Omerza/Callen moved to approve the 2018 Pavement Rehabilitation Construction Engineering Services to TKDA for the GA Apron Rehabilitation – Phase 1, Entrance Road and Parking Lot Rehabilitation, and the Grant Administration and Closeout Services. Motion Carried Unanimously.**
- G. Omerza/Debeltz moved to approve US Department of Transportation-FAA Grant offer for Airport Improvement Program (AIP) Project No 3-27-0027-18-2018 located at the Ely Municipal Airport in Ely, MN. Motion Carried Unanimously.**
- H. Debeltz/D.Forsman moved to approve the in kind services for the 25th Annual Harvest Moon Festival. Motion Carried Unanimously.**
- I. Debeltz/A.Forsman moved to approve Stony Ridge on Shagawa Lake’s On-Sale and Sunday Liquor License. Motion Carried Unanimously.**
- J. Debeltz/D.Forsman moved to approve the Final Pay Estimate #12 for the 2016 Connector Taxiway Project for \$29,427.09 to Hoover Construction and the Certificate of Final Acceptance. Motion Carried Unanimously.**

14. OPEN FORUM

Fran Cherico – 118 E James

Cherico asked why the people of Ely were not allowed transparency of the sale of the community center. The potential buyers have it on the internet and acted as if they already own the building, and listed it as their corporate headquarters. There should be some responsibility for to the Ely people who pay the taxes and salaries of the City officials.

Mayor Novak reiterated the process in which the City sells land. The City will have a public hearing and two readings of the ordinance at two separate council meetings.

Mayor Novak recessed the Council meeting at 6:15pm

Mayor Novak closed the meeting at 6:30pm to develop a counter offer with K-America Foundation for the Community Center at 30 S 1st Ave E.

Mayor Novak opened the meeting at 7:25pm.

A.Forsman/Omerza moved to accept the offer made by K America Foundation and authorize the Mayor and Clerk to sign the purchase agreement and to schedule a public hearing at 5:30pm on Tuesday, September 25, 2018 in the Council Chambers at Ely City Hall to take public comment on the potential sale of the Community Center located at 30 S 1st Ave E. The first reading of an ordinance for the sale could occur as soon as October 2, 2018.

Kess would like financial assurance from any possible purchaser to ensure the project is successful.

Mayor Novak feels that the purchase agreement provides protection to the City and the building and the milestones provided are strong.

Callen agreed with the Mayor and feels any issues that raise a red flag can be addressed.

A.Forsman mentioned that we have 2 offers with one slightly higher but the higher offer includes the city removing the asbestos.

D.Forsman stated that he feels comfortable with what was written in the purchase agreement and it is providing a safety net.

Omerza looks forward to sharing information on the project to the citizens and hopes the citizens will be open and accepting to the proposal

Motion Carried 5-2 with Kess and Debeltz voting no.

15. ADJOURN

Mayor Novak Adjourned the meeting at 7:34pm

Casey Velcheff
DeputyClerk