

Council Minutes - October 9th, 2018
Special Council Meeting – Council Chambers, Ely City Hall

CALL TO ORDER

Mayor Novak called the Special Council Meeting to order at 6:30pm.

PRESENT: Council members A.Forsman, Kess, Debeltz, Omerza, Callen, D.Forsman and Mayor Novak
ALSO PRESENT: Town of Morse Supervisors Terry Soderberg, Leonard Cersine, and Robert Berrini,
Town of Morse Clerk Nick Wognum, County Commissioner Tom Rukavina, City of Ely Clerk/Treasurer
Harold R Langowski, City of Ely Attorney Kelly Klun

ADDITIONS OR OMISSIONS: None

OLD BUSINESS: None

NEW BUSINESS:

Lookout Ridge – Landfill/Tax Forfeited Property-Proposed Annexation Agreement

Commissioner Rukavina indicated he had a couple of meetings with the Town of Morse and the City of Ely to discuss the land South of Ely. Rukavina stated that he tabled the resolution that was on the County board agenda to sell the land to the Town of Morse.

Mayor Novak indicated that at the projects meeting last night there was a recommendation from the projects committee.

D.Forsman/Kess moved to approve the recommendation from the Projects committee to proceed with the acquisition of the tax forfeited 60 acres from the County and to proceed with the annexation of the area. Motion Carried Unanimously.

Soderberg stated that the Town of Morse made a proposal to the City of Ely a couple of weeks ago, and they would like to know what the city's response is to the proposal.

Mayor Novak read the proposal from the Town of Morse:

The township would allow the city to acquire the 60 acres and annex a total of 140 acres, in return the township would require no heavy industrial use in the 140 acres, the township would acquire a 40 east of Highway 1 owned by the city, and shared tax revenues in the 140 acres with the township getting 25 percent of the city tax revenues once a lot is sold for a 10 year period and no further annexation allowed on city boundaries without mutual agreement of both government entities. The 1973 annexation agreement would remain in place. The entire agreement would be filed with the state.

A.Forsman/Kess moved to reject the proposal that the Township has put forward as it stands and to utilize it as a discussion point to move forward with this issue. Motion Carried Unanimously.

A.Forsman stated that he has issues with the statement that no further annexation is allowed without mutual agreement of both government entities in the proposal from Morse.

Mayor Novak stated that he has spent time going through the 1973 Annexation agreement and in his research found the Chapter 17 of Boundary Adjustments: Annexation and Detachment from the 2017 Manual on Town Government from the Minnesota Association of Townships which talks about what would happen if the Town of Morse would object to the annexation. It states that the judge would only need to find one of the following criteria to approve an annexation; the land is now or is about to become urban or suburban, the city government is required to protect the public health, safety, and welfare, or annexation would be in the best interest of the land being annexed. Minn.Stat 414.031, subd 4(b). The City of Ely has been working on cleaning up the old dump site since 2005, which could be under protect public health and welfare. Mayor Novak stated that we have received a report from Northeast Technical Services (NTS) which the data shows that there is a significant release and that there is a human health risk associated with the former dump materials. This data has been used to report a release to the State of Minnesota Duty Officer and the City of Ely is listed as the responsible party. So far, the City of Ely via the Iron Range Brownsfields Coalition has expended over \$80,000 to investigate the risk associated with the dump. It is not recommended that this process be interrupted as the funding is in place right now and future funding is based on what has been completed by the City of Ely using Coalition funds. Mayor Novak stated that this was a regional landfill not just the City of Ely and we need to clean it up as the adjoining property owner.

Rukavina took office in 2015 and immediately he had the City of Ely and the Town of Morse talking to him about this land. The land is in the Town of Morse and Rukavina feels that Morse made a good offer. Rukavina stated that the Town of Morse would be willing to allow annexation if needed in the future for economic development and he was hoping to come tonight to hear counter offers from both parties.

Cersine stated that per the proposal no further annexation would be allowed on the city boundaries without mutual agreement. Cersine said that the Town of Morse would be willing to work with the City with future annexations and would accept an annexation with mutual agreement between both parties. Cersine explained that in the past Morse worked with the city with annexing the land where the Dollar Store is and the land by the hospital where the new ambulance garage is going to go.

Omerza left the meeting at 6:51pm.

Discussion was had on other city owned property that is part of the golf course that could be offered to the Town of Morse instead of the 40 they listed.

A.Forsman indicated that the old dump is now a Brownsfield site and agrees that it is good for all of us to clean up the site. We need to keep in mind that is the reason the City wants the 60 acres. The fact that the Town of Morse came forward with a proposal shows that we all want to clean up the area. If the city has to pay the \$75,000 for the 60 acres and then we give the Town of Morse another 40 acres somewhere else, it seems like the city is the only one putting any effort and money into cleaning up the site.

Langowski spoke with Mark Weber about the different ways the land could be deeded to City or Township. If the land was deeded for Public Use it could possibly be given or purchased but there would be restrictions on the land. If the township or the city purchased it for anything other than strictly public use we would have to pay the market rate.

Rukavina stated that he can look into seeing if cleaning up the old dump can be a public purpose and get back to Langowski and Soderberg.

A.Forsman stated he is open to other land swaps if it is not the city putting out cash to purchase this property, if we can find a way to get that property without a fee that's another factor.

Discussion was had on possibly modifying the 1973 annexation agreement or making an additional amended agreement or a new agreement.

Attorney Klun stated that a new or amended agreement could be formed to include the boundaries of the City of Ely, with certain terms. The City is concerned about coming to the Town of Morse with an annexation in the future when the Town of Morse has new supervisors. The new supervisors might require larger tax apportionment to the Town of Morse, Attorney Klun stated that those are some of the terms that might have to be sorted out.

A.Forsman/Kess moved to accept for consideration the proposal from the Town of Morse as written with the basis that the 1973 annexation agreement would stay in place and any land outside the 1973 agreement would require a mutual agreement with both governments and to have Attorney Klun draft a proposal.

Attorney Klun stated that we need to delineate the lands, otherwise the statute takes over and it dictates how annexation occurs, we need to map out which parcels will be covered under this agreement. This is something that can be worked out in the agreement, along with the property tax issues and property owner requests.

Motion carried 6-0-1 with Omerza absent.

Kess stated that he is hopeful that progress was made tonight.

Rukavina said headway was made tonight and he will sit on the Resolution that was tabled at the county board meeting.

Mayor Novak stated that this is a better way to communicate with each other with the full council present. If it is just Mayor and Langowski sitting in with a couple Town of Morse Supervisors and Commissioner Rukavina, it is difficult to know what the other council members would like to do.

Soderberg stated that he would appreciate if the City would communicate with the Town of Morse.

ADJOURN

Mayor Novak adjourned the meeting at 7:42pm without objection.

Casey Velcheff
Deputy Clerk