

Council Minutes July 16, 2019
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 Kess, Debeltz, Omerza, Callen, Campbell, and Mayor Novak
ABSENT: Council member A.Forsman
3. APPROVAL OF MINUTES:
Debeltz/Callen moved to approve the minutes from July 02, 2019 Regular Meeting. Motion Carried 6-0-1 with A.Forsman absent.
4. ADDITIONS OR OMISSIONS TO AGENDA:
 - A. Addition 7.A Audit Presentation Documents
 - B. Addition 8.A. Housing & Redevelopment Authority
 - C. Addition 11. A. City and EUC claims for July 16, 2019 – \$15,777.64
 - D. Addition 13. B. Residential Rehab Loan for Danette Carlson at 132 E Boundary St for new windows and doors for \$10,000, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with loan processing
 - E. Addition 13. C. Residential Rehab Loan for Derek Jensen at 11 E James St for new windows \$10,000, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with loan processing**Additions A-E added without objection**
5. MAYOR'S REPORT
Mayor Novak indicated that the Coalition of Greater Minnesota Cities conference is next week. Council member Omerza and Novak are going to the conference, Mayor Novak put Council Member Callen in charge in case of an emergency.
Mayor Novak indicated that a supervisor for the Town of Morse is pushing the land swap request. This is an issue between St. Louis County and the City of Ely. The Town of Morse is requesting a memorandum of understanding from the City. Mayor Novak indicated that the City has given the Town of Morse all the other information. Mayor Novak suggested that the City send a letter to Town of Morse to put together the Memorandum of Understanding.
Langowski indicated that the four properties on Boundary Street do not want to be annexed in to the City.
6. CONSENT AGENDA:
 - A. **Omerza/Campbell moved to waive readings in entirety of all ordinances and resolutions on tonight's agenda. Motion Carried 6-0-1 with A.Forsman absent.**
7. REQUESTS TO APPEAR:
 - A. Greg Knutson – Walker, Giroux & Hahne – Audit Presentation
Greg Knutson, CPA with Walker, Giroux & Hahne presented a review of the 2018 Audit. The only deficiency 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 City has a number of grants and projects in process, which are recorded in specific account codes and project transaction codes. They recommend that all departments provide respective grant documents and correspondence to the accounting department to facilitate and expedite grant reporting and ensure proper coding in the general ledger. The accounting department should also review and update the project and accounting codes regularly to eliminate subsequent corrections.

They also recommend that adjusting journal entries be recorded to make corrections to any batches previously posted to the general ledger. An adjusting journal entry will provide an “audit trail” for the activity in the account code.

Langowski commented on the management point. The grant process is quiet complex and it is a big task to put all the projects together with all the grants.

Omerza stated that she has asked other Minnesota cities about the segregation of duties and a lot of cities get that deficiency.

8. COMMITTEE REPORTS:

A. Standing/Special

Projects Committee

Callen/Omerza moved to approve the recommendation from the Projects Committee to direct the City Attorney and City Staff to work with the Nimmo’s concerning the request for the vacation of the ROW, transfer of the cemetery property and ensure an easement is retained to access the cemetery. Motion Carried 6-0-1 with A.Forsman Absent.

Callen/ Omerza moved to approve the recommendation from the Projects Committee to apply to the IRRR for the remaining funds needed to complete the Hidden Valley Mt Bike Trails. Motion Carried 6-0-1 with A.Forsman Absent.

Callen/ Omerza moved to approve recommendation from the Projects Committee to approve the installations of the signs donated from Rotary as recommended by Sergeant Burger, near the school, Whiteside, and Semer’s Park. Motion Carried 6-0-1 with A.Forsman Absent.

Tree Board

Langowski stated that the Sheridan Street trees did not survive well this winter. The speculation is that with the early winter and late spring and that the boulevard is a tough environment for the trees to survive in. Langowski indicated that we will be working with the Tree Board about what to do with the trees.

Omerza stated that anyone wanting to help water the trees to let the clerk’s office know and they can get you in touch with a tree board member.

Ely Economic Development Authority

Omerza/Debeltz moved to approve the recommendation from EEDA to change the EEDA Meeting to the last Tuesday of the month at 5:30pm and to have the Study Session at after the EEDA meeting starting in August 2019. Motion Carried 6-0-1 with A.Forsman absent.

Telecommunications Advisory Board : Minutes included in the packet

Employee Relations

Omerza/Debeltz moved to approve the recommendation from the Employee Relations Committee to approve the MOU concerning electrical outages and transmission line switching with AFSCME. Motion Carried 6-0-1 with A.Forsman Absent.

Omerza/Debeltz moved to approve the recommendation from the Employee Relations Committee to revise the job descriptions to include the duties covered in the MOU. Motion Carried 6-0-1 with A.Forsman Absent.

Donald G Gardner Humanities Trust: Minutes included in the packet

Emergency Management Update: Minutes included in the packet

Housing & Redevelopment Authority: Minutes included in the packet

Callen indicated that the Planning and Zoning Commission is working on the short term rental ordinance, and they should have something soon to bring to the council.

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

i. 1220 E Madison St Sewer Inspection – Letter from Owner

Langowski indicated that the owner of 1220 E Madison St is appealing the non-compliant sewer inspection. Langowski indicated that the sewer line was inspected and it has roots in the joints and the property needs a sump pit and pump. Langowski had told the owner that the transaction can be escrowed by the buyer or the seller at the Point of Sale.

ii. Hazardous Material Inspection for proposed demolition of Ely-Winton Historical Society building on W Shagawa Road.

Langowski indicated that the Ely Winton Historical Society has received an IRRR grant for the demo.

Omerza/Callen moved to approve the quote from NTS for the pre-demolition hazardous material inspection for the proposed demolition of the Ely-Winton Historical Society Building on West Shagawa Road for \$1166.50.

Langowski indicated that the historical society will be responsible for the cost of the inspection and will be invoiced for the work.

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

- iii. Callen/Campbell moved to move forward with the Independent Fee Review from KLJ for the Connector Taxiway A3 and Partial Parallel Taxiway Construction Design Engineering Airport Project. Motion Carried 6-0-1 with A.Forsman Absent.**

B. Fire Chief

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 indicated that they sold the 2007 Expedition to the Town of Morse for \$7500.

E. City Attorney

- i. Debeltz/Campbell moved to approve the Note and Mortgage for James Reed and Ronda Reed at 1350 N 18th Ave E for a \$10,000 Residential Rehab Loan. Motion Carried 6-0-1 with A.Forsman Absent.**

- ii. Callen/Omerza moved to approve Resolution 2019-025 Resolution Establishing the City of Ely's Intent to Vacate a Portion of Power Street.**

Attorney Klun indicated that this street splits the owner's property on Chandler Street.

Roll Called: Council Member A.Forsman- Absent, Kess-Yes, Debeltz-Yes, Omerza-Yes, Callen-Yes, Campbell-Yes and Mayor Novak-yes. Motion carries 6-0-1 with A.Forsman absent.

- iii. Callen/Omerza moved to schedule a Public Hearing for the Vacation of Power Street on August 20, 2019 at 5:15pm. Motion Carried 6-0-1 with A.Forsman Absent.**

- iv. Debeltz/Campbell moved to approve the 1st Reading of Ordinance No. 336 2nd Series An Ordinance of the City of Ely, Minnesota, Adding to the Ely City Code, Chapter 20, Section 20.13.23, Entitled Vacation of a Portion of City-Owned Property, Power Street. Roll Called: Council Member A.Forsman-Absent, Kess-Yes, Debeltz-Yes, Omerza-Yes, Callen-Yes, Campbell-Yes and Mayor Novak- yes. Motion Carries 6-0-1 with A.Forsman Absent**

v. Easement Required for Lockhart ROW Vacation

Omerza/Campbell moved to approve the Easement between the City and St. Louis County for a 33 feet wide roadway easement over, under, and across the south boundary of Government Lot 2, Section 28, Township 63 North, Range 12 West, St. Louis County, Minnesota.

Attorney Klun indicated that this easement has to do with the ROW vacation that Haugen has requested on Lockhart Street. The County has asked that access not be blocked to their fractional interest in land that is adjacent to the wastewater treatment plant. The County requested the city provide an easement access route through the Wastewater Treatment Plant to that parcel. This easement would follow along the southerly boundary

of the Wastewater Treatment Plant allowing access of a 30 foot easement into the property owned by the City of Ely and St. Louis County. Attorney Klun indicated that the city also has the first right of refusal if the intent of the county was to ever sell that parcel.

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

F. City Engineer

10. COMMUNICATIONS: Matter of Information

- A. Correspondence on Land Exchange
- B. RAMS July 2019 Newsletter
- C. Correspondence from the Embarrass Region Fair

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for July 16, 2019 – \$15,777.64
- B. Benchmark Engineering Invoice #1907-23 for the Voyageur Country ATV Trail for \$3,215.00.
- C. SEH Invoice #369911 for the Voyageur Country ATV Trail for \$2,391.03

Omerza/Callen moved to approve the Claims for Payment items A-C. Motion Carried 6-0-1 with A.Forsman Absent.

12. OLD BUSINESS:

A. Debeltz/Campbell moved to approve Rita Koch to be appointed to the Tree Board Term expiring April 2, 2022. Motion Carried 6-0-1 with A.Forsman Absent.

B. 21 W Shagawa Rd – Sherwood

Building Official Whitney indicated that Sherwood has completed several items, but the biggest item to be completed is the front porch is still in disrepair. In Whitney's inspection report he indicated that the following items are not completed: a) removal or repair of the front porch and ensure access is code compliant, e)Entire roofing structure must be completely code compliant (soffits and fascia), f) Proper building permits shall be pulled prior to execution(need permit for garage), Note) the side porch was removed and replaced with a deck, partially done.

Mayor Novak asked for a recommendation.

Whitney indicated a \$100 fine could be given for the items not completed on time.

Omerza/Kess moved to impose a \$100 fine for each of the four items that are not completed per week until the items are completed.

Attorney Klun stated that the \$100 fine is statutory.

Mayor Novak stated that we owe it to the citizens that live in the neighborhood.

Omerza indicated that we need some way to get his attention to get these items remedied.

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

13. NEW BUSINESS:

- A. Callen/Kess moved to approve Resolution 2019-024 Resolution Authorizing to Execute Minnesota Department of Transportation Grant Agreement For Airport Improvement Excluding Land Acquisition. Roll Called: Council Member A.Forsman-Absent, Kess-Yes, Debeltz-Yes, Omerza-Yes, Callen-Yes, Campbell-Yes and Mayor Novak- yes. Motion Carries 6-0-1 with A.Forsman Absent**

- B. Campbell/Omerza moved to approve the Residential Rehab Loan for Danette Carlson at 132 E Boundary St for new windows and doors for \$10,000, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with loan processing. Motion Carried 6-0-1 with A.Forsman Absent.**

- C. Callen/Omerza moved to approve the Residential Rehab Loan for Derek Jensen at 11 E James St for new windows \$10,000, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with loan processing. Motion Carried 6-0-1 with A.Forsman Absent.**

14. OPEN FORUM

John Esse discussed the junk car ordinance and that a junk vehicle should be enclosed in a building. Esse stated that a policy statement needs to be made in order to be able to take care of junk cars around town. Esse indicated that the police commission and police chief should look at this policy.

Chief Lahtonen indicated that the police commission will not be having a discussion on this, the police commissions job is for the hiring, firing, and discipline of the police officers.

15. ADJOURN

Mayor Novak adjourned the meeting at 6:52pm without objection.

Casey Velcheff
Deputy Clerk