

**Study Session Meeting – Council Chambers, Ely City Hall
July 30, 2019**

CALL TO ORDER

Mayor Novak called the study session to order at 5:30pm.

PRESENT: Council Members A.Forsman, Kess, Debeltz, Omerza, Callen, Campbell, and Mayor Novak

ABSENT: None

ADDITIONS OR OMISSIONS: None

OLD BUSINESS: None

NEW BUSINESS:

A. Discussion on Renegotiation of the Sanitation Contract for in town refuse

A.Forsman indicated that he would like to get input from the public on how the community stands with the Sanitation Contract. A.Forsman has seen communities with multiple carriers, and with that it would bring some competition. A.Forsman would like to see one contract for the residential service and open up the commercial service. Some commercial businesses don't receive the service that they would like.

Omerza's concern was with the size of Ely and the number of customers. Omerza indicated that we don't want to put a business out of business by having more than one contractor doing garbage service. Omerza has no interest in splitting up the residential and commercial contracts.

Debeltz indicated that he has Gmen picking up his garbage and he has no issues with their service. Debeltz stated that maybe a business in town would like their garbage picked up more and he thinks we can work it out.

Kess stated he would like the residential contract to continue with one contractor. Kess stated that the Council did not spend much time on the commercial portion of the contract. Kess indicated he would like to see the council removing the commercial portion of the contract to give the businesses more options. The current hauler can raise rates if they would like and we can see if any other companies compete.

Campbell indicated that the contract term is a 15 year contract with the renewals and that is a long contract.

A.Forsman stated that he is happy with the current rates, St. Louis County's rates have gone up and Gmen has not raised the rates.

Omerza asked where it discusses recycling in the contract.

A.Forsman stated that it came up when Ely Safe Ride brought up wanting to do recycling. Kess indicated that on page 1 of the Sanitation Contract Section 3) 1) it gives the definition of "Refuse" which included bottles, cans, glassware, paper etc. In Section 3) 7) it indicated that the following refuse and garbage will be collected and disposed of by the contractor including cans, bottles, etc.

Attorney Klun indicated that recycling can be one of the things looked at.

Mayor Novak indicated that in some bigger cities they have several carriers; the concern about having numerous carriers is the noise issue in neighborhoods and the safety of kids. Mayor Novak stated that Gmen is very reliable; he can tell when they are coming within a 15 minute window. Mayor Novak stated that he is hearing from a couple of the councilors that they would like to split the residential and commercial parts of the Sanitation Contract.

Omerza indicated that the commercial contract helps keep all of our rates low, we get great service now. Omerza reiterated that she is not interested in splitting the contract.

Debeltz asked if a larger business in town could negotiate with the company somehow and we could put that in the contract.

Mayor Novak indicated that he has not heard any complaints about residential, just the commercial part of the contract.

Langowski indicated that on page 2 of the contract 3)8) Schedule of Collection it stated that collection will be performed not before 6:30am and Monday through Friday. Langowski stated that we could look at picking up seven days a week. The last time the contract was up the Sanitation committee put a lot of time in to the contract. The contract was put it out for bids and we only received the one bid from Gmen.

Kess indicated that he is advocating for a residential contract and for no commercial contract. Businesses can go to whoever they want for refuse removal. Kess stated that he does not see a need for a commercial contract.

Mayor Novak asked if anyone wanted to discuss recycling.

Langowski indicated that recycling is not "free"; it comes out of the waste assessment fee on everyone's property taxes, St. Louis County pays for the recycling out of the waste assessment fee. How can we go from something that is seemed to be "free" to pay for a service if people want curbside pick-up, unless we attach it to everyone's property taxes or attach it to the levy.

A.Forsman indicated that people that were talking about doing recycling were willing to pay for curbside pickup. Someone should provide this service for the people would like to pay for curbside pickup.

Kess stated that we could advertise for proposals for recycling to see who would be interested in doing recycling and under what terms.

Callen indicated that he would like to hear from the residents and business owners.

JJ Day – Owner of Gmen

Day stated that he purchased the business in 2011 and he has improved the service over the years. Day indicated that he has been to every sanitation meeting. He has not heard of any complaints out of anyone tonight or at past sanitation meetings. With the current contract Gmen was required to offer certain services and equipment. Day stated that he has made a sizable investment in equipment to provide the services requested in the current contract. Day read a letter he sent to the council for reconsideration of the termination of the Sanitation Contract with Gmen and the City of Ely. Day stated in his letter that it is unfortunate that one formal complaint have such a detrimental effect on a business and community as a whole. Gmen will continue to carry on with business as usual. Day indicated that his business and employees are part of the Local 49 Union. Day stated that he has made numerous charitable contributions to many organizations in the Ely Community and listed some of the things he has donated to. Day has also done a lot of community services including helping with the new playground set up at Whiteside, storm damage and many other things. Day stated that the 15 year term was the largest factor in investing in the business with the roll carts and new equipment. Day stated that nobody has to use Gmen, they can haul the refuse themselves, it is not mandatory that they use Gmen in the contract.

Day discussed the customer service and emergency services he has provided for his customers and for the City of Ely. Day indicated that his office is open 7am-5pm Monday-Friday and his cell phone is listed on the voicemail in case of emergency situations.

Day read a letter from Chris McKinney SGT USMC. McKinney stated that he supports JJ and the Gmen. McKinney stated that Day finds many different ways in which to show his willingness to lend a helping hand, and is always looking to do more for the community. McKinney stated that Day is known for his passion for his employees, business ethos, customer focus, integrity, and attention to details means the business will operate at high levels.

Day stated that he has not had many internal complaints. One complaint that he received was because the refuse did not get picked up for a customer, but that was because the customer did not pay their bill.

Day indicated that he has been more than willing to work with the commercial businesses and the particular business customer that has complained. Day indicated that the particular customer has a commercial container that doesn't get used and that Day's employees have to go into this business to get the trash. Day stated that he has been more than willing to work with this customer, but he has been cussed at and ran out of their store. Day indicated that he has pictures of this establishment that they take daily if anyone would like to look at the conditions. Day stated that he has tried to pass cost savings on to this customer worth over \$5000 per year, but they are not upset about the cost, and they have no other complaints other than they feel like they should have service 7 days a week. Day stated that we live in small town of Ely, Minnesota; we are not a metropolitan city. If there was a problem that Gmen could not provide a service that they need, that would be something that Day would be

concerned about. Day stated that he has the service there, he has multiple containers that they could use, but they don't want them and they won't use them.

Day indicated that there is illegal commercial collection going on currently by another hauler in the City of Ely which is against the contract. Day stated that he knows for a fact that this is happening as it just happened yesterday by the other hauler at 3:30pm. This has been brought up in the past at the sanitation committee that they have had commercial containers out in town.

Day indicated that his rates have increased by 28% with St. Louis County since 2011 and Gmen has only increased the Commercial rate 1.5% since he purchased the business. Rates today are \$1.27 cheaper from when they rolled out the cart program. Day stated that they also offer pay as you throw, this is a cart with a different color lid that customers can put out when they need their garbage picked up, this program does have a \$5.63 monthly minimum service fee in addition to the garbage removal. They also offer a flat rate program with at 32gallon cart for \$55 per quarter or a 64 gallon cart for \$74.61 per quarter.

Mayor Novak indicated that this will be brought up to the Sanitation Committee, the meeting will be published on the City Calendar on the website.

Paul Ivancich- Owner Ely Dairy Queen

Ivancich indicated that when the city could no longer recycle cardboard Gmen took on the task. Ivancich stated that Gmen picks up cardboard from his business two times a week and the service has been invaluable. Ivancich stated that Day has invested in scales on the truck to make the bills fair for refuse services. Ivancich also warned the council that going out for bids doesn't necessarily mean getting lower rates; the Gmen's rates are fair. Ivancich stated that the Gmen does a great job and JJ reflects well in the community.

Jay Poshak – Owner J & L Hardware

Poshak stated he is not here to bash anyone, no one has said anything bad about the service that the Gmen provides. Poshak indicated that the City should give the commercial customer a fair chance, in life a commercial business is not stricken to do business with one person or one vendor. Just give it a fair choice for the commercial businesses.

Ron Moen- 34 E James St

Moen asked why they have to charge for one pick up every month whether you have garbage out or not.

Misty Merhar – Business Owner of Ace Hardware

Merhar stated that the cost of the Gmen services has not gone up in 5 years. They are always on time and if you need an extra pick up they are there within 24 hours. They provide great service.

Merhar stated as far as complaints, there have not been any formal complaints. If a complaint has not been written down and shared with all the council members it should not be considered.

Merhar stated that the Gmen and JJ have made a significant investment in the roll carts and equipment that he has purchased. Cardboard is a huge service he provides for business owners. Merhar indicated that is wrong to only give him 5 months to potentially lose the

contract after the investment he has made to this community. Day provides job security, livable wages and offers his employees to be a part of the Local 49. Merhar indicated that anything Day makes goes back into his business and employees; he cares about his employees and gives them livable wages.

Merhar stated that he always supports local sports and events and numerous things we don't even know about, he does more than meets the eye for this community.

Kathy Brandau – Mayor of Winton

Brandau stated that when the City of Winton has a complaint it is in writing or if she hears a complaint on the street she tells the person to put their name on the agenda. If the complaints are just on the street and did not formally come to the council it is not a valid complaint.

Brandau stated that she has not seen more of an excellent business owner than JJ, the things he donates and does for the community is unbelievable. When it comes to the council's decision keep all these good things that Gmen and JJ have done for the community in your mind.

A. Forsman stated that this was never about JJ and the Gmen, if someone complains he is going to bring it forward; he is here to represent the community. Forsman also stated that he does not believe in evergreen clauses, he does not believe anyone should have a 15 year contract.

Omerza stated that she is against splitting the contract; Day has made all of these investments and has done a lot for our community.

Mayor Novak stated that the City is not required to go out for bids for professional services like City Attorney, Auditors, etc. because it is disruptive as to how the city runs. Mayor Novak asked Attorney Klun to look if the sanitation contract would fit in with professional services.

B. Discussion on the process to enforce the Blight Ordinance.

Attorney Klun stated that in the packet is Ely City Code Section 10.22 with regard to the enforcement of Blight. Attorney Klun understands the concern is we have multiple individuals that are responsible for oversight and can issue tickets relative to blight. In Subd. 7 it states that the enforcement officers are the Building Official, the Clerk/Treasurer and the Chief of Police. Attorney Klun stated that there has been some confusion as to who is primarily in charge of blight and the process that we use.

Mayor Novak stated that the ordinance states who is responsible, but we don't have a process as to who, what, where, and when of who takes care of each issue. Who does each step?

Langowski stated that if it is a civil enforcement issue it is the police, building issues the building official. Right now the way it is working is if someone has an issue with blight they can go to Chief Lahtonen, Building Official Whitney, or to himself. If the council hears about a blight concern the council can let one of them know the issue and they can investigate or send a letter to the blight property owner.

Mayor Novak asked which individual or position is held accountable. This is where we need a policy to know which person an issue should go to.

Lahtonen stated that one person's junk is another person's treasure. The average income in town is around \$26,000, these people probably have just that car that is in their yard as a possession item.

Langowski stated that some blight issues could be brought up to the sanitation committee to get a second opinion.

A.Forsman stated that blight is more than one factor. If a property is ignored and deteriorating that is blight. If a property is well maintained and may have some blight issues on it that should not be considered blight. To have someone going around looking at alleys trying to find blight issues, that is a stain on this community, which is a real problem with a community that cannot get along. When you have someone going around trying to find something to destroy their neighbors, we have to stop this vigilante that is out there doing things like this.

Mayor Novak stated that when we end up with these issues it affects the neighbors and their property values.

A.Forsman agreed that we do have a responsibility to our neighbors. It is more of an accumulative thing. You can have a well maintained property that might have something that is considered blight, but the owners should be able to utilize their property.

Whitney stated that he usually an informal sends a boiler point letter to the homeowner and he usually gets compliance. If he does not get compliance he sends a more formal violation letter. For the most part 80% of people that get letters will comply. Whitney indicates he works complaint by complaint process, and he works on the worse of the worse first.

ADJOURN

Mayor Novak Adjourned the meeting without objection at 7:00pm.

Casey Velcheff
Deputy Clerk