

**Council Minutes - August 6, 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 A.Forsman, Kess, Debeltz, Omerza, Callen, Campbell, and Mayor Novak  
ABSENT: None
3. APPROVAL OF MINUTES:  
**Debeltz/Campbell moved to approve the minutes from July 16, 2019 Regular Meeting and the July 30, 2019 Study Session. Motion Carried Unanimously.**
4. ADDITIONS OR OMISSIONS TO AGENDA:
  - A. Addition 3.A. July 30, 2019 Study Session Minutes – Omitted already approved
  - B. Addition 5.A. Iron Range Mayors – Omitted already in Committee Reports
  - C. Addition 9.B.i, Grant Contract between the Minnesota Department of Natural Resources Division of Forestry and the Ely Fire Department in the amount of \$5000 for Contract No. 163543 for tender conversion.
  - D. Omit 11.F Partial Payment Estimate #9 to JPJ Engineering for \$97,334.26 for the 17<sup>th</sup> Ave E/7<sup>th</sup> Ave E/Water Tower Supply Line (Approved at July 2, 2019 Council Meeting)
  - E. Addition 11. G. Pay Request No. 5 for the Trail Improvements and Vermilion River Bridge Construction Project in the amount of \$105,428.15 to George Bougalis and Sons.
  - F. Addition 12.A. Sanitation Contract
  - G. Addition 13.K. Cooperative Agreement between the County of St. Louis and the City of Ely to Construct a decorative street lighting system on CSAH 155 (James Street) from CSAH 21 (Central Avenue) to 8<sup>th</sup> Avenue, located within the City of Ely, Minnesota.
  - H. Addition 13.L. Residential Rehab Loan for Russell and Nadine Long for \$10,000 to install new windows at 245 E White St, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with the loan processing.  
**Debeltz/A.Forsman moved to approve the Additions and Omissions C-H. Motion Carried Unanimously.**
5. MAYOR’S REPORT
6. CONSENT AGENDA:
  - A. Motion to waive readings in entirety of all ordinances and resolutions on tonight’s agenda
  - B. Approve Sergeant Houde to attend the Homicide and Forensic Death Investigation Conference in Cottage Grove September 9-13, 2019.  
**Debeltz/Callen moved to approve the Consent Agenda items A and B. Motion Carried Unanimously.**
7. REQUESTS TO APPEAR:
  - A. Bradley Peterson – Update on CGMC  
Bradley Peterson from the Coalition of Greater Minnesota Cities (CGMC) gave a presentation on the CGMC and the Legislative goals for the CGMC.
8. COMMITTEE REPORTS:
  - A. Standing/Special  
Planning and Zoning Commission  
Callen indicated that the Planning and Zoning Commission is working on Short Term Rentals and will be bringing it to the council soon.

Park and Recreation Board

Omerza indicated that the Park and Recreation Board worked on the 2020 Park and Recreation budget at the last meeting.

Cemetery Committee

**Omerza/A.Forsman moved to approve the recommendation from the Cemetery Committee to approve the contract between the City of Ely and the Northern Bedrock Historic Preservation Corps for work being completed at the Ely Cemetery.**

Langowski indicated that the funds are donated from the Korpi Trust and a private donation.  
**Motion Carried Unanimously.**

Ely Utilities Commission – Matter of Information

Community Economic Development Joint Powers Board - Matter of Information

Library Board – Matter of Information

Range Mayors meeting – Matter of Information

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

- i. The following items of business were recommended for approval at the regular EUC meeting of Wednesday, July 24, 2019.
  1. Approved the MP/Ely Switching Agreement/AFSCME MOU.
  2. Approved the Hydro-Klean proposal to TV storm and sanitary sewers for \$6,570.70.
  3. Approved the Water Conservation Services proposal to conduct a water leak survey for \$3,040.00.
  4. Approved payment of the EUC Bills List for April, 2019 for \$409,561.47, May, 2019 for \$422,516.39 and June, 2019 for \$270,658.06.
  5. Approved a lighting rebate for the Ely Rock Guy for \$381.83.

**Debeltz/Campbell moved to approve the EUC Consent Agenda for July 24, 2019 items 1-5.**

Kess asked about the outcome of the leak survey.

Langowski stated that once every three years we have a leak survey done. Typically it is to look for service line leaks then notify the property owners about the leak. Sometimes we find hydrants that have a small bypass or valves that have a small leak. We usually get a list of 10-12 things that need some repair. The other reason we do this is to conserve water, which is part of the requirement for our water appropriation permit from the DNR. We need to report on what we do to conserve water.

**Motion Carried Unanimously.**

B. Fire Chief

- i. Grant Contract between the Minnesota Department of Natural Resources Division of Forestry and the Ely Fire Department in the amount of \$5000 for Contract No. 163543 for tender conversion. – Approved at the May 7, 2019 Council Meeting – Matter of Information

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

E. City Attorney

**Omerza/Debeltz moved to approve the Note and Mortgage for Danette Carlson and Brian Klubben for a \$10,000 Residential Rehab Loan. Motion Carried Unanimously**

F. City Engineer

10. COMMUNICATIONS: Matter of Information

- A. Thank You from the Ely Arts and Heritage Center.
- B. Ely Community Resources 2<sup>nd</sup> Quarter

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for August 6, 2019 – \$2,601.395.51
- B. Pay Request No. 4 for the Trail Improvements and Vermilion River Bridge Construction Project in the amount of \$347,054.00 to George Bougalis and Sons.
- C. Partial Pay Estimate #4 to KGM Contractors for \$19,932.97 for the 2018 Pavement Rehabilitation Project for State Project #A6920-48
- D. Partial Pay Estimate #4 To KGM Contractors for \$119,285.42 for the 2018 Pavement Rehabilitation Project for State Project #A6920-49
- E. Partial Payment Estimate #1 to Utility Systems of American for \$294,618.86 for the West Camp Street and Pattison Street East improvements
- F. Partial Payment Estimate #9 to JPJ Engineering for \$97,334.26 for the 17<sup>th</sup> Ave E/7<sup>th</sup> Ave E/Water Tower Supply Line (Approved at July 2, 2019 Council Meeting)
- G. Pay Request No. 5 for the Trail Improvements and Vermilion River Bridge Construction Project in the amount of \$105,428.15 to George Bougalis and Sons.

**Kess/Omerza moved to approve the Claims for Payment items A-G. Motion Carried Unanimously.**

12. OLD BUSINESS:

A. Sanitation Contract

Kess indicated that moving forward with the implementation of a new contract he wishes that the council would do two things: 1) express its desires whether or not to remove the commercial aspect from the contract and 2) to build a process to make recommendations to examine the residential portion of the contract.

**Kess moved to have the new garbage contract not include commercial garbage hauling.**

Mayor Novak indicated that this might be premature at this time. In the packet we have some guidance from the League and we have not had a real public hearing on the matter. Mayor Novak also indicated that the City Attorney is not present today to guide us.

Mayor Novak asked for support of the motion.

Kess indicated that he would withdraw the motion as long as it is the council's intent to involve the attorney and we would move forward in a process that would allow us to resolve this and give the council the opportunity to express its wishes as far as the commercial contract goes.

Mayor Novak indicated that the City Attorney will be back next week and maybe Kess, Mayor, A.Forsman and City Attorney Klun could meet to run through what some of the concerns might be. Mayor Novak indicated that we can then get legal advice on the matter. Kess withdrew the motion.

13. NEW BUSINESS:

- A. **Debeltz/Callen moved to approve Resolution 2019-026 Resolution Authorizing City of Ely to Make Application to and accept funds from IRRRB FY2020 Community Infrastructure Grant Program for the James Street Reconstruction Project. Roll Called: Council Member A.Forsman- Yes, Kess-Yes, Debeltz-Yes, Omerza-Yes, Callen-Yes, Campbell-Yes and Mayor Novak-yes. Motion Carried Unanimously.**
  
- B. **Callen/Omerza moved to approve Resolution 2019-027 Resolution Authorizing City of Ely to Make Application to and accept funds from IRRRB FY2020 Regional Trails Grant Program for the Hidden Valley Mountain Bike Trails. Roll Called: Council Member A.Forsman- Yes, Kess-Yes, Debeltz-Yes, Omerza-Yes, Callen-Yes, Campbell-Yes and Mayor Novak-yes. Motion Carried Unanimously.**
  
- C. **Debeltz/Campbell moved to approve Resolution 2019-028 Resolution Authorizing City of Ely to Make Application to and accept funds from IRRRB FY2020 Regional Trails Grant Program for the ATV Trail Construction in Northeast Minnesota. Motion Carried Unanimously.**
  
- D. **Debeltz/Callen moved to approve the Greater Minnesota Parks and Trails membership for \$150.00. Motion Carried Unanimously.**
  
- E. **Omerza/Callen moved to approve Change Order No. 2A for the 2018 Pavement Rehabilitation project at the Ely Airport. Motion Carried Unanimously.**
  
- F. **Callen/Debeltz moved to approve the Certificate of Substantial Completion for the 2018 Pavement Rehabilitation project at the Ely Airport. Motion Carried Unanimously.**
  
- G. **Campbell/Omerza moved to approve the Commercial Renovation Loan for Ely Winton Historical Society for \$17,500 to rebuild storage building on West Shagawa Road for storage of artifacts, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with loan processing, contingent upon the Ely Winton Historical Society board approving the project.**  
Kess stated that his concern is the council has not seen an overall financial projection for this project. Kess stated that it seems to be that we are offering renovation money for a project that is not really realized. Kess stated he is not sure that the board has authorized the project. Kess stated he is in favor, contingent upon the Ely Winton Historical Society's board approval.  
Motion was changed to include, contingent upon the Ely Winton Historical Society board approval.  
**Motion Carried Unanimously.**

**H. Omerza/Debeltz moved to approve the Liquor License renewals for the 2019-2020 licensing year pending receipt of proper fees and paperwork**

<b>ON-SALE INTOXICATING</b>	<b>SUNDAY ON-SALE</b>
Amici's Boathouse Brewery Catz Billiards and Blues Dee's Bar - the Next Generation Ely Steak House Grand Ely Lodge Insula Kwazy Wabbit Moose, Bear, Wolf Northern Grounds Rockwood Bar & Grill Stony Ridge on Shagawa Lake Zaverl's Bar	Boathouse Brewery Catz Billiards and Blues Dee's Bar - the Next Generation Ely Steak House Grand Ely Lodge Insula Moose, Bear, Wolf Northern Grounds Rockwood Bar & Grill Stony Ridge on Shagawa Lake Zaverl's Bar
<b>WINE</b> Gator's Grilled Cheese Emporium Sir G's Italian Restaurant	<b>ON-SALE 3.2 NON-INTOXICATING MALT</b> Gator's Grilled Cheese Emporium Sir G's Italian Restaurant
<b>OFF-SALE 3.2 NON-INTOXICATING MALT</b> Ely Northland Market Zupancich Brothers Inc.	<b>OFF SALE INTOXICATING</b> Boathouse Brewery Lakeshore Liquor Mike's Drive In Liquor Wild Life Liquor Northern Grounds

**Motion Carried Unanimously.**

- I. Debeltz/Omerza moved to approve the General Obligation Bond Proceeds- Grant Agreement- Pre-Design, Design, Construct Grant for the City of Ely- Trailhead Development; Hospital Access Improvements. Motion Carried Unanimously.**
- J. Debeltz/Callen moved to approve the Notice of Award for West End Redevelopment District Phase 1 for \$1,185,803.00 to Utility Systems of America. Motion Carried Unanimously.**
- K. Omerza/Callen moved to approve the Cooperative Agreement between the County of St. Louis and the City of Ely to Construct a decorative street lighting system on CSAH 155 (James Street) from CSAH 21 (Central Avenue) to 8<sup>th</sup> Avenue, located within the City of Ely, Minnesota. Motion Carried Unanimously.**
- L. Debeltz/Campbell moved to approve the Residential Rehab Loan for Russell and Nadine Long for \$10,000 to install new windows at 245 E White St, pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and to proceed with the loan processing. Motion Carried Unanimously.**

Mayor Novak stated that the City has an existing contract for garbage collection. Pictures have been provided to City Hall of another vendor collecting garbage. Mayor Novak stated there will be initial communication from the Clerk's Office to this vendor to stop providing service. We have a legal contract with GMen. If this continues it may result in a cease and desist order from the City Attorney. Until the contract expires with GMen the current contract is enforced.

14. OPEN FORUM

JJ Day, Owner of GMen, thanked the council for the willingness to gather information and to talk with the City Attorney. JJ indicated he was advised by his attorney today that since this falls under organized collection, it also falls under state statute, there is a lot more that goes into it than just putting a contract out for bid. JJ stated he would like to work with everyone, sit down and talk and let the attorneys work together and see what we can come up with.

15. ADJOURN

Mayor Novak adjourned the meeting without objection at 6:37pm.

Casey Velcheff  
Deputy Clerk