

**Council Minutes - December 1, 2020**  
**Regular Meeting Ely City Council – City Hall, Council Chambers**

1. CALL TO ORDER

The regular City Council Meeting on December 1, 2020 was called to order by Mayor Novak at 5:30pm.

2. PRESENT: Council members A.Forsman, Kess via Zoom, Debeltz, Omerza, Callen, Campbell via Zoom, and Mayor Novak  
ABSENT: None

3. APPROVAL OF MINUTES:

**Debeltz/Callen moved to approve the minutes from the November 17, 2020 Regular Council Meeting. Motion Carried Unanimously.**

4. ADDITIONS OR OMISSIONS TO AGENDA:

5. MAYOR’S REPORT

6. CONSENT AGENDA:

**A.Forsman/Omerza moved to waive readings in entirety of all ordinances and resolutions on tonight’s agenda. Motion Carried Unanimously.**

7. REQUESTS TO APPEAR: None

8. COMMITTEE REPORTS:

A. Standing/Special

Ely Tree Board: Minutes included in the Council Packet

Heritage Preservation Commission: Minutes included in the Council Packet.

Ely Utilities Commission: Minutes included in the Council Packet.

Negotiation Meetings: Discussed after Old Business

**Omerza/Debeltz moved to approve the recommendation from the Negotiating Committee to approve the requested changes be incorporated into the Supervisors of Other Than Essential Employees 2021-2023 contract and to have Attorney Klun draft the updated contract.**

Attorney Klun indicated that the changes are as follows: 1. Cost of living salary/wage increases as follows – 2.5% for 2021, 2.5% for 2022, and 2.5% for 2023. 2. Same health and dental insurance as AFSCME 1490 base unit. 3. Language change of Article V, Section 6, sentence 2 – **from** “Employees shall be given a paid-up life insurance policy in the amount of \$10,000.00 at the time of their retirement or age 65. The entire premium for such coverage will be paid by the City.” **to** “Retiree HCSP Contribution. The employee must notify the city prior to January 1 of the year they will retire to designate the HAS contributions in the contract be deposited in their HCSP account during the calendar year. Upon retirement, the city will deposit \$6000 into the employees HCSP account. All contributions must follow IRS rules.” In order to match the language currently in the other contracts. 4. Holidays, change the half day of holiday for New Year’s Eve to a full paid day on New Year’s Eve to match AFSCME contract. 5. The Deputy Clerk pay increase on base pay of \$1.50 per hour due to

Minnesota Certified Municipal Clerk status. 6. Library Director the city pays for a professional membership in Association of Rural and Small Libraries. 7. The Deputy Clerk shall receive a stipend of \$500 for each special election for the extra duties that go along with an election.

**Motion Carried Unanimously.**

Omerza asked Langowski the status of the Rec Center Rink. Langowski indicated that flooding began yesterday and we hope to have ice within the next couple of weeks weather depending. Due to the current governors order 20-99 the warming area will be closed, but the bathrooms will be open. Parents and families will need to plan ahead and be prepared to meet their families warming needs. Chairs will be provided outside for skaters to put on their skates. We are also looking for an additional rink attendant.

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

i. The following items were recommended for approval at the regular EUC meeting on November 18, 2020:

1. Approved sending a letter of interest to ZEF Energy for the EV Fast Charging Station.
2. Referred the Spaulding Noise Complaint – Power Issue to the Customer Relations Committee.
3. Approved the payment of the October EUC Bills List for \$529,646.51
4. Approved payment of the St Louis County James Street Lighting Rebate for \$1,489.92.

**Debeltz/Omerza moved to approve the EUC Consent Agenda items 1-4. Motion Carried Unanimously.**

B. Fire Chief

C. Library Director

D. Police Chief

Chief Houde updated on the hiring process both applicants have passed the psychological portion and currently planning on coming up mid-December to do some other training. Chief Houde also updated the council on the noise complaint that the Palcher's brought forward at the last council meeting. Houde explained that he shared an email with the council of his investigation. During his investigation he indicated that it is not a violation on how he perceives the noise ordinance. Houde indicated that he would recommend the city look at an ordinance as to how a generator is used to power or recharge batteries for solar power, but with our current ordinance it is not a violation.

Mayor Novak stated that he read the report and it is rather lengthy, but it is really well prepared.

E. City Attorney

i. **Omerza/Callen moved to approve the Mortgage Satisfaction for Jason S. Zabortsky for mortgage recorded on January 29, 2015 as Document No. 01254447. Motion Carried Unanimously.**

**ii. Omerza/Debeltz moved to approve the 2<sup>nd</sup> Reading of Ordinance No. 344, 2<sup>nd</sup> Series An Ordinance of the City of Ely, Minnesota, Adding Chapter 17, The Licensing of Short Term Rentals.**

Mayor Novak indicated that we had a public hearing on this Ordinance before the council meeting.

Attorney Klun indicated that there are a couple changes that need to be made to the ordinance and they could be made in conjunction with this motion and approval tonight, but we would just want to itemize those changes.

**A.Forsman/Omerza moved to amend section 17.09 that the number of permits will be set by resolution of the Ely City Council annually.**

A.Forsman indicated that we can do this along with our things we pass at the beginning of the year. The number of permits as the city population increases and decreases can change, and as time goes by we can see how many permits are given and address the amounts by resolution rather than by ordinance.

Kess stated that we should do the resolution at the beginning of the year.

Attorney Klun stated that if we do this the ordinance will not be effective until the 1<sup>st</sup> meeting in January.

Omerza asked what the formula was to determine that no more than 35 permits shall be issued at one time. Callen indicated that it was based on the number of households in Ely.

**Motion Carried Unanimously.**

**A.Forsman/Callen moved to add rooming houses to Section 17.03 to the sentence “Short-term rental license is not required within commercial zones C-1, C-2 for lodging establishments and rooming houses holding a valid Minnesota Department of Health license for Vacation Home/Hotel/Motel per Minnesota Statutes.**

A.Forsman indicated that at the hearing earlier it was brought up about the bunkhouses that are currently offered by some of the outfitters in conjunction with their outfitting trips that people go on. A.Forsman stated he would hate to see the bunkhouses count against the number of short term rentals in the R-1 zones.

Kess asked if they have to pay lodging taxes and if they have to have inspections by the state.

Building Official Whitney indicated that the ones that are in operation right now they have a long term rental license through the city.

A.Forsman indicated that they are paying lodging tax and are required to be licensed in this ordinance by the Department of Health

Omerza asked if we have an ordinance regarding bunk/rooming houses already.

Attorney Klun stated that we do relative to a rooming house, but it does not pertain to short term rentals though.

**Motion Carried Unanimously.**

**Kess/A.Campbell moved to remove R-1 from Section 17.03, to not allow Short Term Rentals in R-1 district.**

Callen asked what we would do about the Short Term Rentals that are already in R-1, are we going to tell them they cannot have the STR.

Kess indicated that they would not be allowed. Short Term Rentals are currently not allowed in R-1.

Mayor Novak stated that the 16 that are already in business would have to shut down.

Kess indicated that yes they did not have permission to open anyways and cannot operate a Short Term Rental in R-1.

A.Forsman stated that they were not prohibited before; there is not differentiation between Short Term Rentals and Long Term Rentals in our ordinance.

Mayor Novak stated that we would be opening the City up to litigation.

Omerza stated that we have talked about Short Term Rentals for 2 years now it is time to legitimize the ordinance. By limiting the number of Short Term Rentals with this ordinance we are protecting neighborhoods and we will look at that number every year so if there are issues we can take care of it. We are being responsible stewards as a city to move forward with this ordinance. If we say no to this now we are forcing people that want to visit Ely to stay outside of the city limits of Ely in Short Term Rentals, right now we are evening the playing field and balancing the approach to regulating the short term rentals.

Kess stated that more people are having a hard time to find a place to live and finding long term rentals.

Motion Failed with Kess and Campbell voting Yes and A.Forsman, Debeltz, Omerza, Callen and Mayor Novak voting No.

Attorney Klun discussed some clerical changes to the ordinance.

**Omerza/Callen moved to change City Administrator to Clerk/Treasurer in the Ordinance, and in Section 17.05 to change that the lodging tax will be paid to the Cook County Auditor's Office. Motion Carried Unanimously.**

**A.Forsman/Omerza moved to clarify Section 17.09 the number of permits and how they will be distributed will be determined by Resolution annually.**

Omerza asked how Planning and Zoning come up with the distributing numbers between zones.

Callen stated that they started with 10 and worked from there.

A.Forsman stated that we don't know how many are in R-1 right now.

**Motion Carried 5-2 with Kess and Campbell voting No.**

**Original Motion amended to include the changes made.**

**Omerza/Debeltz moved to approve the 2<sup>nd</sup> Reading of Ordinance No. 344, 2<sup>nd</sup> Series An Ordinance of the City of Ely, Minnesota, Adding Chapter 17, The Licensing of Short Term Rental with motions of changes that were discussed above. Roll Called: Council Member A.Forsman- Yes, Kess – No, Debeltz-Yes, Omerza -Yes, Callen – Yes, Campbell-No, and Mayor Novak – Yes. Motion Carried 5-2 with Kess and Campbell voting No.**

F. City Engineer

10. COMMUNICATIONS: Matter of Information

A. Correspondence from Eric Urbas

B. Truth in Taxation Public Hearing is on Tuesday, December 8, 2020 in the Council Chambers for discussion on the City's budget and property tax levy it is proposing to pay for costs of services the City will provide in 2021, public can attend in person or via Zoom.

11. CLAIMS FOR PAYMENT:

- A. City and EUC claims for December 1, 2020 – \$388,246.03
- B. Final Pay Estimate #7 to KGM Contractors, Inc for \$23,422.32 for the 2018 Pavement Rehabilitation project at the Ely Airport for State Project #A6920-48.
- C. Final Pay Estimate #6 to KGM Contractors, Inc for \$14,820.45 for the 2018 Pavement Rehabilitation project at the Ely Airport for State Project #A6920-49.
- D. SEH Invoice #395546 for the Prospector ATV Trail for \$3,150.00.
- E. Partial Payment Estimate No. 1 for the Pocket Park Re-Bid project for \$50,498.20 to Hovland, Inc.

**Debeltz/Callen moved to approve the Claims for Payment items A-E. Motion Carried Unanimously.**

12. OLD BUSINESS: None

13. NEW BUSINESS:

**A. Omerza/Debeltz moved to approve all 2021 Tobacco License renewal applications pending the receipt of all required documentation and payment for the term of 1/1/2021-12/31/2021. Motion Carried Unanimously.**

**B. Kess/Debeltz moved to approve Resolution 2020-046 A Resolution Designating 2021 Polling Precinct Location for the City of Ely**

A.Forsman  
Langowski

**A.Forsman/Omerza moved to postpone the Resolution to the next meeting on December 15<sup>th</sup>.**

Callen asked if the polling place was ever at City Hall.

Mayor Novak indicated that Ely used to have 4 polling places, the Community Center, Pioneer Apartments, Sibley Apartments and the JFK building at the School. City Hall could now be Polling Place because we are ADA Compliant.

**Motion Carried Unanimously.**

**C. Omerza/Debeltz moved to cancel the December Study Session. Motion Carried Unanimously.**

14. OPEN FORUM: None

15. ADJOURN

Mayor Novak adjourned the meeting at 6:25pm without objection.

Casey Velcheff  
Deputy Clerk