

**Regular Meeting Ely City Council – City Hall, Council Chambers
September 17, 2024**

CALL TO ORDER

Mayor Omerza called the meeting to order at 5:30pm.

PRESENT: Council members A.Forsman, Kess, Debeltz, Callen, Campbell, Bisbee, and Mayor Omerza

ABSENT: None

APPROVAL OF MINUTES:

Debeltz/Callen moved to approve the minutes from the September 3, 2024 Regular Council Meeting. Motion Carried Unanimously.

ADDITIONS OR OMISSIONS TO AGENDA:

- A. Additions 8.A Projects Committee
- B. Additions 8.A Budget Committee
- C. Additions 8.A Heritage Preservation Commission
- D. Additions 9.A Quote for a Perkins Diesel Engine from RMS for \$5,816.67
- E. Additions 13.G Chuck Novak's resignation from Chairman of the Ely Area Ambulance Service and from the City of Ely's position on the Board of the Ely Area Ambulance Service.

A.Forsman/Callen moved to accept the addition A-E. Motion Carried Unanimously.

MAYOR'S REPORT:

Mayor Omerza thanked all the city employees who worked on and got the word out on for the water valve issue and water outage. Very few cities can do what we did in house, most would have to contract it out. Thanks again to all the city crews, Clerk Langowski, Deputy Clerk Velcheff, the Police Department and everyone for helping to get the word out and fixing the issue.

Mayor Omerza reminded everyone that the marathon is this weekend, be aware of the detours and be patient.

CONSENT AGENDA:

Debeltz/Bisbee moved to waive readings in entirety of all ordinances and resolutions on tonight's agenda. Motion Carried Unanimously.

REQUESTS TO APPEAR:

Paul Peltier – RAMS Executive Director

Peltier indicated that the primary focus of RAMS is on good governance across municipal boundaries, statewide boundaries and across regional boundaries. They seek to advocate for the needs of the entire region as well as increase communication. RAMS was founded in 1939 and they put the taconite production tax in place so all the money from the mines did not leave the region. At the time the regions city mayors got together and advocated for the needs of the range cities and eventually put the taconite production tax in place. RAMS is named in state stature, and they have 11 points in their constitution and by-laws that say what they are supposed to be doing. A few are to be a common connector and information sharing agent for the areas of common concern across the region. Peltier stated that they also help with economic development and try to be the center point of an informed conversation, we bring stakeholders, leaders, affected parties together to have an informed conversation to make good decisions on behalf of the region, for the region and with the region.

Peltier discussed the 2024 Legislative Priorities of RAMS which range from the Mining Policies, LGA, EMS, Housing, Broadband, Trails, Childcare and several others.

Peltier asked what Ely needs for the 2025 Legislative Priorities and how can RAMS be helpful to Ely.

Langowski indicated that an increase in LGA would be beneficial, from 2024-2025 it was minuscule only an increase of \$3000-4000, when you are seeing inflationary impacts of 5-7%, LGA could make an impact on all of our services we can provide for our community.

Mayor Omerza stated that an inflationary factor figured into LGA would be amazing. The schools were able to do that this last year, and it would be nice to get that included into the cities LGA.

Kess indicated continue to pushing forward on the EMS services.

Campbell indicated that housing continues to be front and center issue in our community. We have a shortage of housing. We are hoping for a 32-unit market rate housing unit, but we are waiting on funding for that project. Our rental market is saturated and families and elderly are needing housing.

Debeltz stated that we need more jobs with a livable wage.

Bisbee indicated that with tourism, he sees a lot of exploitation by outside ownership of businesses or short-term rentals and a lot of money doesn't stay in our community. Can we take any action against the money leaving?

Kess indicated that we cannot forget that RAMS was founded on mining and it pays our bills with the production tax. We need to work to continue to support mining of all kinds.

A.Forsman stated that we had the Department of Revenue building up here for many years, and now they mostly work from home. As far as knowing how many jobs are still in the area for the Department of Revenue and making sure they are holding true as to the number of jobs that were promised to us. How do we get more state jobs up here, they should not be all located in the metro area.

Peltier thanked everyone for the opportunity to speak and for your input.

Lacey Squier – Ely Leadership Workshop

Squier indicated that she is on the Board of the Ely Folk School, Host of What's up Ely Podcast, and Manager of Boundary Waters Connect, she also does new resident social called hello new neighbor.

Squier indicated that in her six years of living, volunteering and working in Ely she realized we need a conference that socially engaged people can go to, to learn ways to get involved. She is planning a day long conference for business and non-profit leaders. Ely for Ely workshop is on November 18th at the Grand Ely Lodge from 9am-4pm. Squier is inviting all to come to get to know each other and to continue to work together throughout the year. The registration for the workshop will be going live on October 1 and will have a \$20 charge. Squier indicated that she would love to get the community leaders to be present and to engage.

COMMITTEE REPORTS:

Standing/Special

Library Board: Minutes included in the Council Packet

Airport Commission

Bisbee/Debeltz moved to approve the recommendation from Airport Commission to approve the quote from Overhead Door Company regarding a hanger door repair for \$1,565. Motion Carried Unanimously.

Bisbee/A.Forsman moved to approve the recommendation from Airport Commission to submit for grant funding to purchase an AV Gas Refueler. A new unit costs \$165,350 with potential grant funding of 75% and 25% local match. Motion Carried Unanimously

Ely Lodging Tax Board

Kess indicated that the numbers are through June, January – June the lodging tax collected was \$65,494.34 which is -8.9% down. Kess stated that it's hard to have the complete numbers since Fall Lakes Lodging Tax goes through Lake County. Talking with some business owner they have said it has been a little slower than normal.

Projects Committee

Callen/Debeltz moved to approve the recommendation from Projects Committee to prioritize the Harvey Street project from Central to 9th Avenue, Conan from 2nd Avenue East to 3rd Avenue East and one block of water main replacement on 1st Avenue East as the capital projects for 2025. Motion Carried Unanimously.

Callen/A.Forsman moved to approve the recommendation from Projects Committee to pass a resolution to submit an application to the IRRR regional trail grant program for funds for trail maintenance equipment.

Resolution 2024-034 Resolution Authorizing City of Ely to Make Application to and Accept Funds from IRRR FY25 Regional Trails Grant Program.

Roll Called: A.Forsman-Yes, Kess, Yes, Debeltz- Yes, Callen, Yes, Campbell-Yes, Bisbee-Yes and Mayor Omerza-Yes. Motion Carried Unanimously.

Callen/Debeltz moved to approve the recommendation from Projects Committee to authorize going out for sealed bids for the construction of six vault privy toilets for the Prospector Loop Trail.

Langowski indicated that we have an IRRR grant for this and they have some state funds, each of these are about \$30,000 each.

Motion Carried Unanimously.

Callen/Campbell moved to approve the recommendation from Projects Committee to authorize Water Tower Clean and Coat to provide routine inspection of the reservoirs for \$7000. Motion Carried Unanimously

Budget Committee

A.Forsman/Kess moved to approve the 2025 Proposed Budget.

Kess indicated that the budget committee has had some tough budget discussions. LGA is always needed and there is not a lot of wiggle room in this budget. We will finalize the budget in December. Everyone now has a copy of the budget, look at it and see if anything can be changed.

Motion Carried Unanimously.

A.Forsman/Kess moved to approve the recommendation from Budget Committee to approve the maximum 2025 property tax levy at \$2,317,700 an increase of \$159,600 or 7.40% from 2024.

Resolution 2024-035 Resolution Approving and Adopting Proposed Tax Levy Collectible in 2025.

Mayor Omerza indicated that this is the highest it can go, and hopefully we can get it lower.

Roll Called: A.Forsman-Yes, Kess, Yes, Debeltz- Yes, Callen, Yes, Campbell-Yes, Bisbee-Yes and Mayor Omerza-Yes. Motion Carried Unanimously.

A.Forsman/Callen moved to approve the recommendation from Budget Committee to approve the Mesabi Bituminous Bid for \$392,340 for the 2024 Infrastructure Projects.

Langowski indicated that we have an applied for an IRRR grant for this project. The schedule for this project will depend on the grant and scheduling with the contractor.

Motion Carried Unanimously

A.Forsman/Kess moved to approve the recommendation from Budget Committee to deny the Heritage Preservation Commission request to have the City of Ely pay for the annual MN State Historic Preservation Conference costs.

Kess indicated that this is not staff going, it is the committee members.

A.Forsman stated that the city does not usually pay for committee members to go to conferences, travel and training budget is for staff and city council members.

Campbell asked if the HPC can submit a budget for next year.

Langowski indicated that if the HPC or any committee that is looking for funds needed to come forward in July.

Kess indicated that we have already set the maximum levy just a few minutes ago, and the budget committee wants to try to lower the levy by December, we cannot add more things to the budget at this time.

Motion Carried Unanimously.

Heritage Preservation Commission

Campbell/Kess moved to send the recommendations from HPC regarding adding things to the city's public access channel to the TAB Committee for consideration. Motion Carried Unanimously.

DEPARTMENTAL REPORTS:

Clerk-Treasurer

Update on water outage/boil order advisory

Langowski updated the council of the investigation of a potential water main leak that started on Monday. We had been experiencing some water on the road at the section of Sheridan Street below the water tower and across from Dollar General, the water on the road had been that way for quiet some time. Last spring we had leak detection come do a city-wide survey to see if they could locate any leaks in the area, nothing was conclusive, so after that we did some additional excavations in that area -by the water tower, by the hydrant, and other areas. During all this work we were unable to determine if and where a leak may be present. About a week and half ago, we excavated behind the curb and realized there was some old drain tile there that had become filled with roots and plugged up. The drain tile was located right behind the curb at the surface. Working with MnDOT we found where they had some notes in some as-builts from the

50s that indicated that there was a spring in that area. We did not find a spring in the area with all of our excavation and testing of the water we believe there has been water leaking for some time. Last Monday we did traffic control and closed down the highway, and utilized the new 4th Avenue West for a detour, without that we would have had to detour traffic around Highway 88. On Monday we discovered that there was a joint in the old piping that is probably around 80+ years old that was leaking. We acquired all the parts necessary to make the repair, thanks to Casper Construction out of Grand Rapids, Utility Systems of America located in Eveleth, and the City of Virginia, we also borrowed some equipment from Warren Johnson Excavating and from Low Impact Excavators, and between the inventory the City of Ely keeps on hand for all this old piping we have in town and then having discovered where the leak was coming from on Monday, it required additional parts. By Tuesday morning we had all the parts together and had formulated a plan. By early afternoon on Tuesday, we got to the point that we were going to start cutting the old piece of pipe out that was leaking, to start making the repair. Around 4pm a valve shifted about $\frac{3}{4}$ of an inch which was enough to push the gasket out. These valves were installed sometime in the 80s, and this old piping has unrestrained joints, meaning that there is nothing holding the piping in place. During the work we restrained all of those joints with proper chains and binders to hold things in place, unfortunately during that work one of the valves came loose enough to push a gasket out. At the time the water tower was off and we were serving the residents directly through the water plant running our high lift pump. At the time of the water outage our water tower was full and our reservoirs were full. At the time of the leak, we immediately shut off the pumps and immediately started to isolate the entire system to save all the water we had and to not drain the entire system down. We had to have the boil water order since we lost pressure in our water system. It was not what got into the system or may have gotten in during the repair, it is what could be drawn into the system with negative pressure from other people's houses. Around midnight we were able to complete the repair and then flush the water system via the hydrants and by 1am everyone had water. The boil order stays in place until the Department of Health completes their bacteria testing, fortunately the Department of Health was in the area and the next morning they were able to do the sampling. The sampling came back clear and there were no issues of bacteria in the water. These water lines are on our replacement list with the Department of Health, they have been on the list for many years, but unfortunately this year there was not a bonding bill so there was not funding for water line projects. We will continue to push this project along with our water line supply line project from Burntside. The city crew, fire department, police department, city hall staff, did a good job putting out the notices, and getting it to the news media and our local newspapers did a good job to get the word out. The number one concern during all of this was the safety of the public, safety of the workers working on the job, the people passing by via the detour, and the residents that are being served by our municipal water supply. The Department of Health reviews everything we were posting and they are the ones that lift the boil order once the results came back. Langowski stated that we appreciate everyone's patience and apologize for the inconvenience, especially for the businesses.

2024 Conan Infrastructure Improvements Bid – previously discussed under the budget committee

Bisbee/Callen moved to approve the quote for a Perkins Diesel Engine from RMS for \$5,816.67.

Langowski indicated that this is for the smaller skid steer.

Motion Carried Unanimously

Fire Chief

Chief Marshall discussed the current fire and medical calls for the Fire Department. Marshall stated that the Public Safety Open house is next Wednesday from 3-6pm.

Marshall stated that during the water outage last week the fire department had access to water. They were well prepared, and had 4 other local fire departments on standby in case anything happened. The fire department could have gotten water from the water tower if needed and they also have pumps and water trucks that could have been filled from local lakes if needed. Fire protection was still in place during that time.

Library Director

Library Director Heinrich discussed the current programming for the Ely Library which can be found on the library website. Director Heinrich stated that the library staff was at the Association for Rural & Small Libraries conference last week and they learned a lot of things, they will have a report in the next council packet.

Police Chief

Chief Houde reminded everyone about the 5k Glow Run on Friday night and the Marathon on Saturday, the Police department has posted the detours and routes on the Facebook page.

City Attorney

Debeltz/Kess moved to approve the Note and Mortgage for the Residential Rehab Loan for Anthony Gornik for \$10,000 at 517 E Chapman St to reside and insulate the house.

Motion Carried Unanimously

Debeltz/A.Forsman moved to approve the Note and Mortgage for the Residential Rehab Loan for Kevin Aijala for \$10,000 at 45 E James St to reroof garage. Motion Carried Unanimously

City Engineer

COMMUNICATIONS: Matter of Information

Correspondence from St Louis County Extension – Youth In Action regarding the Make a Difference Conference

Correspondence from the North Country Trail Association – One Year Anniversary – National Trails Day September 28-29th

CLAIMS FOR PAYMENT:

- A. City and EUC Claims for September 17, 2024 for \$11,914.31
- B. Pay Estimate #18 Final for the Ely WWTF Improvements Project to Rice Lake Construction Group for \$14,776.62
- C. Pay Estimate #2 for the 2023 Taxilane Reconstruction to Low Impact Excavators Inc for \$120,777.94 and Certificate of Substantial Completion for the 2023 Taxilane Reconstruction.
- D. Ely Community Resource Quarter 4 Payment of \$5125.
- E. AE2S Invoice #97653 for Waste Water Treatment Facility Improvements for \$2,180.50, Invoice #97656 for Water Treatment Plant Improvements for \$3,769.97, and Invoice #97655 for General Consulting Services for \$5,269.00

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

OLD BUSINESS: None

NEW BUSINESS:

A.Forsman/Bisbee moved to approve the Temporary Liquor License for the Ely Folk School on December 14, 2024 at Semer's Park. Motion Carried Unanimously

Callen/Debeltz moved to approve the Commercial Renovation Loan application for Dexter Inc DBA Canoe on Inn for \$12,000 at 201 W Sheridan St to reroof pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and proceed with the loan application. Motion Carried Unanimously

Debeltz/Campbell moved to approve the Residential Rehab Loan application for Kelsey Ivancich for \$10,000 at 940 E Chapman St for a new propane furnace pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and proceed with the loan application. Motion Carried Unanimously

Debeltz/Kess moved to approve the Residential Rehab Loan application for Deann Carlson for \$10,000 at 1304 E Harvey St for new propane furnace and to update the sewer pending proper paperwork and fees and to direct Attorney Klun to work with the applicant and proceed with the loan application. Motion Carried Unanimously

Debeltz/Callen moved to approve Resolution 2024-033 Resolution Appointing Election Judges for the 2024 General Elections. Roll Called: A.Forsman-Yes, Kess, Yes, Debeltz-Yes, Callen, Yes, Campbell-Yes, Bisbee-Yes and Mayor Omerza-Yes. Motion Carried Unanimously.

Debeltz/Campbell moved to approve the Ely Marathon request for in-kind services. Motion Carried Unanimously.

Debeltz/A.Forsman moved to accept Chuck Novak's resignation from Chairman of the Ely Area Ambulance Service and from the City of Ely's position on the Board of the Ely Area Ambulance Service and to send a letter of thanks. Motion Carried Unanimously

A.Forsman/Campbell moved to recommend Paul Kess as a board member with Ryan Callen to be the alternate on the Ely Area Ambulance Service Board. Motion Carried Unanimously

OPEN FORUM: None

ADJOURN:

Mayor Omerza adjourned the meeting at 6:55pm without objection.

Casey Velcheff
Deputy Clerk