

AGENDA ADDITIONS
November 19, 2024 at 5:30pm
Regular Meeting Ely City Council – City Hall, Council Chambers

1. CALL TO ORDER

2. ROLL CALL: Council members A.Forsman, Kess, Debeltz, Callen, Campbell, Bisbee, and Mayor Omerza

3. APPROVAL OF MINUTES:
 - A. (4-11) (Additions A1-A4) Approve minutes from the November 12, 2024 Regular Council Meeting, the November 12, 2024 Special Council Meeting – Canvassing Election and the October 29, 2024 Study Session Minutes (to be added in the additions).

4. ADDITIONS OR OMISSIONS TO AGENDA:
 - A. Additions 8.A Budget Committee
 - B. Additions 9. A. ii. Phase I Archaeological Survey for Hidden Valley Mt. Bike Trail Extensions, Ely, St. Louis County, Minnesota for up to \$8,128.82
 - C. Additions 10.D Northern Lights House Open House Invite to Council, December 6, 2024 from 4:30pm-7pm

5. MAYOR'S REPORT:

6. CONSENT AGENDA:
 - A. Motion to waive readings in entirety of all ordinances and resolutions on tonight's agenda.
 - B. Schedule Truth in Taxation Meeting for Tuesday, December 3, 2024 at 6pm.

7. REQUESTS TO APPEAR:

8. COMMITTEE REPORTS:
 - A. Standing/Special
 - a. (12-13) Library Board

 - b. (14-17) Tree Board

 - c. (18-29) Housing & Redevelopment Authority (HRA)

 - d. (30-32) Range Association of Municipalities & Schools (RAMS)

 - e. (Additions A5) Budget Committee
 - i. Recommendation from Budget Committee to remove \$5000 from the 2025 Fire Department budget and reducing the 2025 general fund levy by \$5000.

- ii. Recommendation from Budget Committee to spend any remaining budgeted money for the HPC from the 2024 budget in 2025 using the fund balance.

f. Other Committee Meetings

9. DEPARTMENTAL REPORTS:

A. Clerk-Treasurer

- i. Post for Equipment Operator Trainee, I, II Position
- ii. (Additions A6-A8) Phase I Archaeological Survey for Hidden Valley Mt. Bike Trail Extensions, Ely, St. Louis County, Minnesota for up to \$8,128.82

B. Fire Chief

C. Library Director

D. Police Chief

E. City Attorney

- i. (33-49) 1st Reading Ordinance No. 381 An Ordinance of the City of Ely, Minnesota, Adding to the Ely City Code, Chapter 6, Section 6.41, Entitled Regulating Cannabis Business
- ii. (50-51) 1st Reading Ordinance No. 383 An Ordinance of the City of Ely, Minnesota, Amending the Ely City Code, Chapter 11, Section 11.50, Entitled Regulation Cannabis Business
- iii. Schedule a Public Hearing on Ordinance's 381 and 383 Cannabis Businesses for December 3, 2024 at 4:30pm.
- iv. (52-61) Consider the Note and Mortgage for the Residential Rehab Loan for Linda Enquist-VandenBranden for \$10,000 at 845 E Pattison St for a new propane furnace pending proper paperwork and fees.
- v. (62-70) Consider the Note and Mortgage for the Commercial Renovation Loan for Jim Mealey for \$17,000 at 124 N Central Ave for new electrical service for retail space, 3 apartments, and storage areas pending proper paperwork and fees.

F. City Engineer

10. COMMUNICATIONS:

- A. (71-74) Communication from St Louis County regarding an update on the county's activities concerning cannabis regulation.
- B. (75-77) Communication from the Department of Revenue concerning the Board of Appeal and Equalization Training – Current Trained member for Ely is Angela Campbell (7-1-2025)
- C. (78-79) Communication from the End of the Road Archers
- D. (Additions A9) Northern Lights House Open House Invite to Council, December 6, 2024 from 4:30-7pm

11. CLAIMS FOR PAYMENT:

- A. (80-92) City and EUC Claims for November 19, 2024 for \$149,294.04
- B. (93-97) Invoice #98704 from AE2S for the WWTF Improvements Projects for \$560.00, and Invoice #98977 from AE2S for General Consulting Services for \$8039.50.

12. OLD BUSINESS:

- A. (98) Schedule a Public Hearing on December 3, 2024 at 5:15pm for Ordinance No. 378, An Ordinance of the City of Ely, Minnesota, Amending Chapter 11, Section 11.41 of the Ely City Code Regarding Zoning District Schedule.
- B. (99) 2nd Reading of Ordinance no. 382, 2nd Series, An Ordinance of the City of Ely, Minnesota, Adding to the Ely City Code, Chapter 5.41, Alcoholic Beverages Licensing and Regulation.

13. NEW BUSINESS:

- A. (100) League of Minnesota Cities Liability Coverage Waiver Form – Does not Waive
- B. (101) Consider Premier Pyrotechnics to shoot the 2024 4th of July Fireworks for \$20,000
- C. (102-140) Proposed 2025 City of Ely Budget
- D. Closed meeting per MN Statute 13.D to discuss settlement of and employee grievance at the end of the regular meeting.

14. OPEN FORUM:

15. ADJOURN:

**Study Session Meeting – Council Chambers, Ely City Hall
October 29, 2024**

CALL TO ORDER

Mayor Omerza called the study session to order at 6:30pm.

Present: Council Members A.Forsman, Kess, Debeltz, Callen, Bisbee, and Mayor Omerza

Absent: Council Member Campbell

Others Present: Attorney Klun, Clerk Langowski, Clerk Velcheff, Planning & Zoning Members Emily Roose, Joe Prioreshi. and Jeanette Palcher, Planning and Zoning Admin Scott Kochendorfer, and Building Official Doug Whitney

ADDITIONS OR OMISSIONS: None

OLD BUSINESS: None

NEW BUSINESS:

City of Ely Fee Schedule

Langowski discussed that every year we approve the fee schedule in January. We are looking at doing some updates to the fee schedule and are looking for some input and direction tonight at the study session to incorporate the fees in January.

Langowski went through the general fees: adding a Reissue Check Fee for \$25, we went through the labor and equipment charges and updated those to the current rates. Under the utility fees taking off the televiser sewer service, private businesses do that for residents now. To replace a water meter, it is a \$30 charge and the meter cost, we used to be able to fix the meters, but the new meters cannot be fixed they have to be replaced.

A.Forsman discussed the rental inspection fee and suggested changing the fee for subsequent units within same dwelling from \$20 to \$40.

A.Forsman asked why some of the Planning and Zoning Fees were raised so much. Kochendorfer explained that to publish the notices it is around \$90 per ad, then we have to send out the notice to residents within 350' and postage can be around \$25-\$50 depending on how many notices need to be sent, and for each application it can take admin time of at least 8-10 hours to research and put together the information for the meeting.

A.Forsman thanked Kochendorfer for his explanation.

Langowski indicated that for the Right of Way (ROW) Vacations the cost will be \$300 for the application and the legal fees.

A.Forsman asked what the EAW fee is? Langowski indicated that if the city is required to do an Environmental Assessment Worksheet (EAW) we could put a \$500 fee and actual costs and expenses for it.

Langowski indicated that we may have to update some ordinances to state to reference the current fee schedule rather than having the fees in the ordinance.

Langowski indicated that for public data requests we need to come up with a policy and fees for the requests. We have been getting more data requests and now a lot of them

ask for the information digitally so we need to come up with a cost for the time we put in to the requests.

A.Forsman asked if the city can take credit cards yet? Langowski stated not yet, but we are looking into it.

Chief Houde went through the updated Police Department fees. Houde would like the alcohol regulation fees to mimic the cannabinoid violations.

Discussion was had on the alcohol consumption in public to be \$100 and the alcohol on school grounds to be \$150.

Chief Houde indicated that he has been working with the Ely Veterinary Clinic on a new contract for boarding animals.

Discussion was had on the animal running at large offences. Suggestion was to have the 1st offense be \$50, 2nd offense be \$75, and 3rd offense be \$100. It was also discussed to have the Animal Impound fees to be the same as the running at large fees. 1st offense \$50 + boarding fee, 2nd offense \$75 + boarding fee, and 3rd offense \$100 + boarding fee.

Callen suggested changing the parking in fire lane/hydrant civil enforcement ticket be \$300. Bisbee indicated that he thinks it should be two separate fees. Chief Houde indicated that he just ordered civil enforcement tickets and we could look at this again next year.

Cannabis Ordinance

- Planning & Zoning Information on Cannabis
- Draft Ordinance 381 An Ordinance of the City of Ely, Minnesota, Adding to the Ely City Code, Chapter 6, Section 6.41, Entitled Regulating Cannabis Business
- Draft Ordinance 383 An Ordinance of the City of Ely, Minnesota, Amending the Ely City Code, Chapter 11, Section 11.50, Entitled Regulating Cannabis Business
- St Louis County Cannabis Ordinance (For Information Purposes)
- St Paul Adult Use Cannabis Zoning Amendments (For Information Purposes)

Langowski indicated that we currently have a moratorium in place and we need some movement on this by the end of the year. For zoning we need to decide where it will be allowed and what uses will be allowed. The county is also working on there ordinances and numerous other communities are also trying to figure this all out.

Bisbee suggested that the number of retail registration of cannabis businesses be increased to 2-3 to create a competitive environment.

Attorney Klun went through the draft Ordinance 381. The ordinance goes through the different licenses including the Low potency hemp edible (what is currently allowed in the City of Ely) the limit is 20 in the proposed ordinance. The fine structures for the low potency are different than the current ordinance, but these are what Attorney Klun has seen in her research statewide. The next license the ordinance goes through is the retail registration of cannabis businesses, this is not where businesses are selling the low potency hemp, this is the new products that are coming into legalization. For the retail registration of cannabis, the business will have to go through all the state mandates and licensing and then obtain a local license. The last section of the

ordinance discusses Temporary Cannabis Events. Klun went through Ordinance 383 regarding the zoning of Cannabis Businesses.

A.Forsman indicated that with the liquor licenses we do not have a limit on the number of licensees so he does not think a limit is appropriate for the retail cannabis businesses. We will have limits on the locations with zoning.

Kess was in favor, the market will eventually limit the number of places people will sell. Attorney Klun indicated that the city should put a number on this, at least to begin with. Bisbee discussed Ely being a destination for people to get their product, and that we should have more than one retail store.

Chief Houde indicated that we do not want that many here or to be a destination. We don't want to be known as a destination for that, it is much better to be known as the destination for the Boundary Waters, mining, logging, or tourism. We don't have the man power to deal with the increased volume that it would cause. There needs to be a limit on the amount of retail stores that Ely allows.

Discussion was had on grounds for denying a license. Attorney Klun indicated that the businesses would have to be licensed by the state first, then they would come to the City of Ely to apply for a license. Klun indicated that in the past the council has not usually denied an applicant as long as they are a good faith applicant.

A.Forsman indicated with the free market and allowing multiple businesses, he doesn't want to see outsiders come in and take up the limited number of licenses that we have. Then these outside businesses maybe don't care about our community and then no one else can move into that type of business that is a responsible business owner, that does care about the community and will keep their money local. Forsman stated that he does not want to only see one business.

Langowski stated that Richard Stuart gave an update to the Town of Morse Board a couple weeks ago and referenced that there were over 500 applications for the social equity licensing with the state and about half of them were applicants from outside of the state.

Building Official Whitney asked if we can set the number allowed by resolution rather than in the ordinance.

Attorney Klun indicated that she will put 5 into the draft ordinance the council meeting then we can further discuss the number allowed at the council meeting. In section (d)(12) there is a statement that a "New applicant who has purchased a business location holding a valid city registration will be entitled to first priority, provided the new applicant meets all other application requirements in accordance with this ordinance," Attorney Klun indicated that there is some locality written in the ordinance.

Attorney Klun asked for input on the fines for both lower potency and the higher potency cannabis. Discussion was had to keep the lower potency the same as what they are

currently in the ordinance to coincide with the alcohol regulations of 1st Violation \$300 with a 3-day suspension, 2nd Violation \$500 with a 6-day suspension, 3rd Violation \$1000 with a 12-day suspension and a 4th Violation \$2000 fine and revocation of license. For the higher potency retail businesses, the fines will be 1st Violation \$750 with a 7-day suspension, 2nd Violation \$1500 with a 15-day suspension, 3rd Violation \$2000 with a 30-day suspension and a 4th Violation revocation of license.

Attorney Klun discussed the zoning. Agreeance to allow the low potency in C-1. Klun discussed the cannabis microbusinesses and mezzo businesses indicating that these are partly retail and partly production.

P&Z Admin Kochendorfer asked if the distances from a school, daycare, parks, etc would be factored into the zoning ordinance. The state has a maximum for the distances, but each jurisdiction could lower the distances. Kochendorfer also mentioned that conditional use permits could be put on some of these licenses then certain conditions would have to be met for those types of businesses.

Kess stated that he is uncomfortable allowing cultivation in a C-1/C-2 district, even if it is a combo type of business.

Mayor Omerza indicated that she has no desire to lower the distances from the state maximums.

Attorney Klun asked Planning and Zoning to give a recommendation to the council at the next meeting regarding the zoning portion. P&Z Admin Kochendorfer stated that planning and zoning had approved a zoning recommendation regarding cannabis businesses, he will get the information to Attorney Klun. The recommendation from Planning and Zoning goes into each type of business, the recommended zoning and whether the type should have a conditional use permit or not.

Discussion was had on timing of the ordinance procedure to have something in place by the end of the year deadline for the moratorium.

ADJOURN

Mayor Omerza adjourned the meeting at 8:11pm

Casey Velcheff
Deputy Clerk

Budget Committee Meeting, November 18, 2024

The meeting was called to order at 4:04 p.m. by HO

Present: Al Forsman, Heidi Omerza, Harold Langowski, Dan Smith, Chad Houde, Rachel Heinrich, Dave Marshall

Absent: Paul Kess, Chad Houde

Motion by AF support by HO to approve the minutes from the October 21, 2024 meeting. Passed Unanimously.

Old Business

2025 Proposed Budget – Nothing new has changed with the proposed budget since the October 21 budget meeting. Changing health insurance carriers was an option to help reduce the 2025 Levy but the change was not supported by the unions. Marshall said he could purchase a portion of turnout gear budget in 2025 using remaining 2024 funds. As a result, the 2025 Fire budget could be reduced by \$5,000 as well as the 2025 Levy. The HPC has said that they would like to move any unspent 2024 budgeted funds to 2025. The 2024 budget for the HPC is \$2,500. 2024 expenditures can be paid for in 2025 as long as the expenditure is incurred in 2024. Any remaining costs can be expensed using the 2025 fund balance.

Motion by AF support by HO to recommend the Council approve removing \$5,000 from the 2025 Fire Department budget and reducing the 2025 general fund levy by \$5,000. Passed 2-0-1 with Kess absent.

Motion by AF support by HO to allow the HPC to spend any remaining budgeted money for the HPC from the 2024 budget in 2025 using the fund balance. Passed 2-0-1 with Kess absent.

3rd Quarter 2024 Interest Allocation – The interest on investments the City of Ely received for the 3rd quarter of 2024 \$86,116.60. The funds with negative cash balances have been offset to other funds. The interest allocation will be recorded as a journal entry as presented.

New Business

Fuel Oil soiled Fire Turnout Gear – Some turnout gear from the Fire department got fuel oil on them during a Fire call. DM was concerned that the turnout gear would need to be replaced but he was able to find a cleaning company in Eagan, MN that is able to clean the gear. The cost for cleaning the gear will be approximately \$1,300. A claim was submitted to the LMC and the insurance company can get reimbursed by the party at fault.

New Ely Library Carpet – A partial replacement of the Library carpet was scheduled to be done on Saturday 11/16/24. When the contractor opened the carpet he noticed that the vendor had sent the wrong color. The old carpet had already been removed. Heinrich determined that having the old carpet already removed posed a safety threat to the Library visitors so the new carpet was installed to prevent injury. The correct carpet tiles will be ordered and replace the carpet with the wrong color. The new carpet that will be removed can potential be used for the police department.

Adjourn at 5:01 pm by HO

Submitted by Assistant Treasurer, Dan Smith

SCOPE OF WORK: PHASE I ARCHAEOLOGICAL SURVEY FOR HIDDEN VALLEY MOUNTAIN BIKE TRAIL EXTENSIONS, ELY, ST. LOUIS COUNTY, MINNESOTA

I. FIRM NAME Duluth Archaeology Center, L.L.C.
5910 Fremont St. Suite 1, Duluth MN 55807

Dr. Susan Mulholland (president)
tel: 218/624-5489, email: archcenter @ aol.com

II. PROJECT OBJECTIVES

The objective of this project is to conduct an archaeological survey (Phase I) for archaeological sites on the Hidden Valley Mountain Bike Trail Expansions project near Ely, St. Louis County, Minnesota. The Area of Potential Effects (APE) includes Loop F, Loop G, Wolf Center Loop, USFS Loop, College Loop, and Miners Lake for a total of 6.2 miles; the proposed corridors are in T63N R12W sections 26 and 36 (southeast of Ely). Phase I archaeological survey provides field survey of the APE to OSA/SHPO standards (Anfinson 2011) using pedestrian walkover and shovel testing as appropriate to terrain. The investigation will be reported to SHPO standards (Anfinson 2011) and include all activities conducted as well as recommendations on any additional investigations.

III. WORK PLAN

Contractor will complete the following tasks:

- 1. Administration
Contractor will conduct accounting and record keeping; conduct prefield activities, including literature review of SHPO/OSA files; obtain a State archeology license, ARPA permit for Federal lands, and other required agency permissions; request a Gopher State locate if needed. Client will provide permission and location of survey routes.
- 2. Phase I archaeological survey
Contractor will conduct archaeological survey of the APE using pedestrian walkover with shovel testing as appropriate to specific terrain/ground conditions. Disturbed, water-saturated, steeply sloping, and bedrock terrain does not need shovel testing.
- 3. Laboratory Work and Reporting
Contractor will conduct laboratory cleaning/analysis of any recovered artifacts and prepare maps and state site forms if needed. Contractor will prepare a report on the results of the Phase I survey, including site form(s) and all activities, results, and recommendations regarding any further recommended archaeological investigations.

Project Schedule

Contractor will start work after written authorization from the client. A maximum of 3 days will be required for the field survey; pedestrian walkover can be conducted in late fall/early winter (unless snow cover is too deep) but shovel testing (if needed) will be likely need to be conducted

in spring 2025 after the ground thaws. Reporting will depend on the results of the survey but will require a minimum of 3-4 weeks if no sites are recorded and possibly 4-5 weeks if sites are found. Exact schedule will be determined in consultation with client.

IV. BUDGET

The budget is prepared on a separate sheet. The budget is a not to exceed quote; expenses will be charged as incurred. Estimated curation costs are based on 3 sites; additional funds may be required if additional sites or large amounts of artifacts are collected.

NOTE: If human remains or indications of burials are identified, additional time and funds may be required for notification and consultation with appropriate agencies (Anfinson 2008) under the Private Cemeteries Act (MnST 307.08).

V. PERSONNEL

- Dr. Susan Mulholland: principal investigator, project supervisor
- Jennifer Shafer: graphics supervisor, accountant

VI: APPROVED BY



Name: Susan C. Mulholland

Date: October 22, 2024

Title: President, Duluth Archaeology Center

Anfinson, S.F. 2011 *State Archaeologist's Manual for Archaeological Projects in Minnesota*. Office of the State Archaeologist, Fort Snelling History Center, St. Paul.

Anfinson, S.F. 2008. *State Archaeologist's Procedures for Implementing Minnesota's Private Cemeteries Act (MS 307.08)*. Office of the State Archaeologist, Minnesota Department of Administration, St. Paul.

**PHASE I SURVEY OF HIDDEN VALLEY MOUNTAIN BIKE TRAIL EXTENSIONS,
ELY, ST. LOUIS COUNTY, MINNESOTA**

TASK 1: ADMINISTRATION

Principal Investigator	15 hr. @ \$65.92	\$ 988.80
Account Manager	3 hr. @ \$48.31	144.93
Supplies		25.00
photocopies	250 @ \$0.10	25.00
TOTAL PRE-FIELD		\$1,183.73

TASK 2: FIELD SURVEY

Principal Investigator	27 hr. @ \$65.92	\$1,779.84
Field Technician	27 hr. @ \$46.45	1,254.15
mileage	750 mi. @ \$0.67	502.50
per diem	6 person/days @ \$50	300.00
TOTAL FIELD SURVEY		\$3,836.49

TASK 3: LAB ANALYSIS/REPORT PRODUCTION

Principal Investigator	12 hr. @ \$65.92	\$ 791.04
Computer Supervisor	6 hr. @ \$46.45	278.70
Lab Technician	8 hr. @ \$45.97	367.76
Photocopies	200 @ \$0.10	20.00
Report production		15.00
Postage/Delivery		10.00
TOTAL REPORT PRODUCTION		\$ 1,482.50

TOTAL PROJECT COSTS [WITHOUT CURATION] **\$6,502.72**

CURATION

Accession charge	3 site @ \$75	\$ 150.00
Storage box	1 cu.ft. @ \$285	285.00
Processing fee	1 @ \$115	115.00
Principal Investigator	5 hr. @ \$65.92	329.60
Lab supervisor	10 hr. @ \$46.45	464.50
Mileage	300 mi. @ \$0.67	201.00
Parking		6.00
TOTAL CURATION		\$ 1,626.10

TOTAL PROJECT COST WITH CURATION **\$ 8,128.82**

Northern Lights House Open House

248 N. 3rd Ave E. Ely, MN | Friday, Dec 6 | 4:30-7:00pm

Join us to celebrate our forever home!

Well Being Development invites the Ely community, friends, and partners to come explore our new place, a place of belonging. Come learn more about our work to provide behavioral health resources and build community here in Ely.



The Northern Lights House is home to:

- Northern Lights Clubhouse, supporting adults living with mental health challenges & building community
- Care Facilitation Services, connecting people to the resources they need to thrive
- Our new Recovery Residence, supporting those in recovery from drug & alcohol addiction

Open House at 248 N 3rd Ave. E.

Friday evening, 12/6/2024 from 4:30-7:00 pm.

5pm celebration program

A soup bar & bread will be provided for a light meal.



Supporting all people to live their best lives

Questions? info@elywbd.org | www.wellbeingdevelopment.com

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