

MINUTES
Eveleth City Council Workshop
September 21, 2010
Council Chambers, City Hall, Eveleth, MN
5:30 pm

Council present: Mayor Matos, Councilor Koivunen, Councilor Kallevig, Councilor Kuoppala, Councilor Hoag

Mayor Matos called the Workshop Meeting to order at 5:30 p.m.

1. EHSP Study Follow-up

City Clerk/Administrator Monahan-Junek presented an email received from Allison Lunde of Eide Bailly. Eide Bailly conducted a recent study of the Eveleth Health Services Park Nursing Home. The study expense was around \$34,000 and the City received a grant from Iron Range Resources in the amount of \$25,000. Lunde outlined six items of future action to include:

1. Operational Improvements (Including staffing);
2. Financial Statement Development (rates beginning at \$130/hour for audit staff services);
3. Facility/Campus Plan;
4. Revenue/Expenditure Plan (feasibility study);
5. Rate Impact Analysis (determine impact to rate based on construction project);
6. Assisted Living Study

Councilor Koivunen recalled the Council deciding to offer \$30,000 towards the nursing home. With the \$25,000 grant, the City has spent around \$9,000. Koivunen would like to continue investing up to \$30,000.

Paul Fischer, Eveleth Health Services Park Nursing Home Administrator, said the nursing home is currently looking to obtain 16 more licensed beds.

The Council will plan to meet with the Eveleth Health Services Park Board at an early workshop meeting to be held October 5, 2010.

Frank Starkey, Eveleth Health Services Park Boiler Maintenance, discussed the repairs needed in order to bring the boiler into compliance with State codes. He estimated the boiler would run for about 10 more years, with replacement of tubing. The quotation received from Jamar Company was the low quote at \$13,000.

2. Vacant Building Code – Kuoppala

Not discussed.

3. Discuss process for calling for bids and quotes

Not discussed.

4. Agenda Q&A

None.

5. Visitor – Charles Richards Regarding West Eveleth Apartments

Charles Richards addressed the Council regarding his plans to purchase and renovate the West Eveleth Apartments. Richards would like to reconstruct the one bedroom apartments into three and four bedroom apartments. He also would like to establish an on-site daycare.

Councilor Kuoppala gave Richards several suggestions for contacts to include St. Louis County HRA (Steve Nelson – Virginia).

Richards said the apartments would be available for Section 8 and market pricing. He has been working with Consultant Dave Salene. Richards said he qualifies for a loan, but it is wiser to look into bonding. The project is estimated at 1.47 million dollars. The cost of the property is \$807,000 and there is a delinquent tax payment of \$114,000. The remaining amount would go towards rehab. Richards may also need to partner with someone who has done HUD for 20 to 25 years.

Concerns were raised on past problems associated with numerous police calls at the former West Eveleth Apartments.

Richards said he would plan to live in the apartments during the 18 month renovation period.

6. Visitor – Chicagami Daycare

Lori Maki, Chicagami Daycare, provided a State Fire Marshal report from Forrest Williams. Chicagami is interested in establishing a daycare in the former Mental Health Unit at the Eveleth Health Services Park. The report indicated the area is up to fire code. Maki also provided a report from Roger Saccoman, Architecture Limited, Hibbing, Minnesota. Saccoman prepared a map of the space based on the daycare center needs. Chicagami would be able to apply for licensing of up to 100 children. They currently are licensed for 87.

At their current location, Chicagami pays a \$1,200 per month lease. If they moved to EHSP, they would contract with the Eveleth Health Services for meal services. Maki said Chicagami would be willing to sign a long term lease.

Discussion took place on whether the tenant or renter would be responsible to pay for the upgrades needed to establish a daycare.

Councilor Kuoppala said the nursing home has been doing some long term planning and she would like to meet with the nursing home to discuss the possibility of a children's daycare.

Chicagami will be invited to attend the October 5, 2010 workshop meeting along with Eveleth Health Services Park.

7. Discuss Cemetery Extension Project Funding

The City will need to make a decision on whether to accept a bid for installation of a storm sewer system in the Cemetery Extension.