

**AGENDA**  
**Eveleth City Council Workshop**  
**March 15, 2011**  
**Council Chambers, City Hall, Eveleth, MN**  
**6:00 p.m.**

The Workshop convened at 6:00 p.m.

Present: Mayor Vlasisavljevich, Councilor Hadrava, Councilor Koivunen, Councilor Peterson, Director of Public Works Wiskow, City Clerk/Administrator Monahan-Junek; City Attorney Brunfelt, Eric Fallstrom

The Mayor indicated he met with Mike Jacobsen on Friday, March 11, 2011. Mr. Jacobsen indicated his desire to purchase the property that he previously had a land use license for from the City. The Mayor suggested the City sell Mr. Jacobsen the subject property with a development agreement so the site gets cleaned up. Mr. Jacobsen said he plans to pay the 2011 license fee to the City.

The Mayor stated that he and Jackie Monahan-Junek had breakfast with Steve Carlson, the owner of the Days Inn, on Friday, March 11, 2011. Mr. Carlson is working on the facility and wants to open it (it has been a lifelong dream of his). Mr. Carlson stated he wants to open the facility in July or August 2011. Mr. Carlson will provide periodic progress updates to the Mayor. The Police Chief visited with Mr. Carlson on-site the week of March 7. The Mayor indicated his desire that the Eveleth Fire Chief visit the facility.

The Council discussed proposed water rate changes. Mike Wiskow reported that the City will eventually have to implement a conservation rate. Wiskow described how a conservation rate affects apartment complexes. A conservation rate is not a uniform rate across all customer types. A bulk of the water utility costs are fixed. Wiskow passed out a water rate cost comparison chart. Eveleth has the capacity to serve substantially more water and sewer customers. The City's sewer plant is sized for a community of 8,000 population.

**1. Review 2011 CIP Plans and Specifications**

Eric Fallstrom, Benchmark Engineering, handed out an updated project cost estimate.

**2. 2011 Capital Improvements Funding**

Monahan-Junek reported that she will bring a proposed financing plan to the Council at a subsequent meeting (before the May 3 meeting where the Council will consider the bids for the project). Financing the project with CDBG grant funds, excess 2008 Capital Improvements Project Bond funds, and issuing a new bond have been discussed at prior workshops.

**3. Development/Project Ideas**

Councilor Peterson asked what process the Council would use to prioritize the ideas (once they have the ideas). There was no response or further discussion.

Mayor suggested building townhomes in the City gravel pit in Fayal Township near the Golf Course and on the lake. A tax sharing arrangement, similar to the one between the City of Biwabik and Town of White, could be used.

Councilor Koivunen would like the City to continue to sell selling City owned lots housing in order to increase the tax base. He referenced the lots recently sold to Jim and Gloria Ravnikaar in the Thunderbird Addition.

Councilor Hadrava indicated that the school district is looking at closing the manual training building and the Jr. High building. They have no money to tear down the building(s). He stated the manual training building needs to come down, but the Jr. High building can be renovated. Monahan-Junek will check with IRRRB to confirm whether or not the commercial demolition grant program can be used for these buildings.

#### **4. Closed Session – Contract Negotiations**

The City Council went into closed session for contract negotiations at 7:00 pm. Councilor Hadrava excused himself from the discussions regarding AFSCME due to a conflict of interest.

The closed session adjourned at 7:17 pm.

#### **5. Agenda Q&A**

No discussion.