

MINUTES
Eveleth City Council Workshop
February 15, 2011
Council Chambers, City Hall, Eveleth, MN
5:45 p.m.

Council present: Mayor Vlasisavljevich, Councilor Koivunen, Councilor Hoag, Councilor Peterson, Councilor Hadrava

Mayor Vlasisavljevich called the meeting to order at 5:45 p.m.

1. Eveleth Health Services Park Assisted Living Project and Timeline

Gary Peritz, Eveleth Health Services Board, and Paul Fischer, Fitzgerald Nursing Home, were in attendance.

Consultant Dave Salene said there is no historical record of an account reconciliation for the nursing home. Salene discussed the proposals from EideBailly and Moquist Thorvilson Kaufmann Kennedy & Pieper. Salene suggested the Council accept the EideBailly proposal as they have already been working with the nursing home. EideBailly's proposal includes preparing the paperwork which would lead up the process of handing the statement over to the auditor. The fee range for the compilation ranges from \$11,000 to \$19,000. Salene opined that the City needs to establish criteria that would require the nursing home to maintain up to date financial records.

Gary Peritz said the current predicament has been inherited. Councilor Koivunen recalled six years of service on the board as Council Liaison. Koivunen said, in the past, the board has done whatever was necessary to keep the operations running. Mayor Vlasisavljevich said the City needs to move forward in the right direction. Peritz said it is not fair for the City to spend the money unless the nursing home is able to sustain itself.

Salene reiterated the need to establish a lease with the nursing home. Salene said that part of that lease should include requirements for the nursing home to supply an annual audit. He said the goal of the compilation by EideBailly is to understand the operating basis of income or loss for the nursing home and proposed assisted living unit.

Paul Fischer suggested the Council accept the EideBailly proposal as the nursing home staff has already spent eight hours consulting with them.

City Clerk/Administrator Monahan-Junek distributed an updated Assisted Living budget. The City would need to financially assist the project in an amount near \$80,000. Monahan-Junek listed several City funds for the Council to consider as

resources. The City also recently received a \$40,000 check from Minnesota Power for overpayments made to the City's account.

Fischer asked if training for nursing home staff and payroll were included in the assisted living budget. Salene said those items are not part of this budget and should be included in the operational budget which will need to be established.

2. Update on Range Mental Health

Monahan-Junek distributed a memo and gave an update on Range Mental Health. Range Mental Health is interested in leasing the secured area which has been vacated by the State of Minnesota Mental Health Unit. Range Mental Health seeks to address a shortage of acute psychiatric beds in Northern Minnesota by opening an eight bed Community Crisis Stabilization unit in Eveleth. These beds will serve individuals facing psychiatric episodes. The program would be staffed twenty-four hours a day, seven days a week, including all holidays. All transportation, meals and nursing services would be administered to patients. The intent of the program is to resolve immediate crisis and give patients the ability to prevent future hospitalization. A full-time registered nurse and a weekend licensed practical nurse would be on site. Clerical, records and maintenance personnel would be employed on a half-time basis.

Range Mental Health is developing an operational budget to include a \$65,000 per year lease with the City of Eveleth.

3. Report on Coalition of Greater Minnesota Cities Legislative Day

Councilor Peterson and Monahan-Junek attended the Coalition of Greater Minnesota Cities Legislative Day on February 9, 2011. Peterson and Monahan-Junek met with legislators to discuss City concerns including LGA, Highway 53 and Voter Registration requirements. Councilor Peterson proposed the Council adopt a resolution supporting LGA.

4. HUD Rural Innovation Fund Program Grant Application with AEOA

Lorrie Janatopoulos, AEOA, addressed the Council regarding the HUD Rural Innovation Fund Program Grant. Janatopoulos said the grant addresses unemployment, housing distress and economic development. It is highly competitive as it is a national grant. If awarded, Janatopoulos envisioned the grant to work with the Olde Town Eveleth Revitalization Project. Low to moderate income standards are part of the qualifications. AEOA has been meeting with local businesses to discuss their needs and interest in participating in wage assistance, job training and job coaching.

Monahan-Junek will write a letter of support on behalf of the City.

5. Discuss 2012 State Revolving Fund Loan Program for Water and Wastewater Projects

Not discussed due to time constraints.

6. Discuss Board and Commission Application Process – Hadrava

Not discussed due to time constraints.

7. Discuss Joint Recreation Board Commission Terms

Not discussed due to time constraints.

8. Agenda Q&A

None.