

MINUTES
Eveleth City Council Meeting
7:00 p.m., April 3, 2012
Council Chambers, City Hall, Eveleth, MN

A. CALL TO ORDER

Mayor Vlasisavljevich called the meeting to order at 7:00 p.m.

B. ROLL CALL

Councilor Beth Peterson, Present
Councilor Joseph Koivunen, Present
Councilor Brian Hoag, Present
Councilor Bradley Hadrava, Present
Mayor Robert Vlasisavljevich, Present

Also present: City Clerk/Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; City Attorney Mitch Brunfelt; Chief of Police Brian Lillis; Director of Public Works Michael Wiskow; Benchmark Engineering, Eric Fallstrom

C. APPROVAL OF MINUTES

Motion by Councilor Koivunen, second by Councilor Hoag to approve the Agenda; Consent Agenda; Minutes of City Council Workshop held March 21, 2012; Minutes of City Council Meeting held March 21, 2012; and Minutes of City Council Workshop held March 27, 2012. Ayes – All.

D. APPROVAL OF AGENDA

E. APPOINTMENTS/PRESENTATIONS

None.

F. VISITOR/PUBLIC PRESENTATIONS

Ryan Carlson, co-owner with Steve Carlson of the former Days Inn, addressed the Council regarding the publication in the Mesabi Daily News. Carlson said the City had the option to purchase the building over four years ago. He said they have owned the building for less than a year and a half. Prior to their ownership, the building was sitting for over four years. Carlson said the IRRRB offered aid, but the aid would not cover the items they need.

Mayor Vlasisavljevich said the building is deteriorating and the City would like to have a structural engineer look at the site. Vlasisavljevich said utilities are not hooked up.

Carlson said Minnesota Power has been hooked up since September and the gas has been running for several months. The water meter is installed, but the water has not been turned on yet. Carlson estimated it would cost the City \$700,000 to \$800,000 to tear down the structure. He said they have been working all hours of the day, and the City does not have a right to come in and take the building. He contributed the set backs to break-ins where damage was done to the building and copper was stolen.

Mayor Vlasisavljevich said the City has been given many deadlines by Carlsons which have not been met. Vlasisavljevich said the economic impact on the building is severe. The City has offered to help, but at the current rate it looks like it would take 8 to 12 years to complete the project. He said the roof is falling off, and the lobby is a disaster. The City offered \$60,000 to buy the building.

City Attorney Mitch Brunfelt said the City is dealing with a hazardous situation. It does not sound like the proper process for black mold abatement has been followed. Brunfelt presumed that the Carlsons would not be able to open the facility before meeting health inspection requirements. He said the facility has deteriorated to such a point that it is unrealistic to think a group of their size could properly abate the mold. If the City Council votes to initiate eminent domain, the City will ultimately get reports from the health inspector. Brunfelt advised that the structural condition is probably not the issue. The issue is with black mold and the property not being fit for human habitation. Brunfelt clarified that the City made an open proposal. If the facility was not able to operate by October 2012, the City would buy the property for \$60,000 or would initiate eminent domain.

Brunfelt told Carlson it would be a good idea to contact the state health inspector to look at the black mold. The health inspector could tell them how to abate the problem. Brunfelt said a former employee reported that the facility should never be opened as the black mold was not abated and was just covered with sheet rock. Carlson denied the accusation of covering the black mold.

Mayor Vlasisavljevich said the City is trying to help. City Clerk/Administrator has been to the site with Representative Rukavina, and Dave Salene has offered financial consultation. Vlasisavljevich advised Carlson that if they want to work with the City there must be a realistic approach and a proper inspection.

Attorney Brunfelt asked if they are living in the building. Carlson acknowledged that they do they live on the premises. Since the water is not turned on, they use bathroom facilities when they go out to eat. They have a Minnesota Power bill for over \$1,000 from last month. Carlson said he attended the Council meeting due to the untruths printed in the newspaper.

Councilor Koivunen asked for an opening date. Carlson said they are done giving dates.

Councilor Hadrava thanked Carlson for attending, and asked if he would be willing to act as the liaison to the Council.

Larry Bol, resident from West Eveleth, spoke on behalf of the Carlsons. Bol said they have bought the building with their own money. Bol predicted he will have a job with them some day, as well as 50 to 100 other employees. He restated that "It is their money . . .they bought and paid for it."

Mayor Vlasisavljevich said the Council has a responsibility to the community.

Bol said the Carlsons are going room by room and outlet by outlet. He said they deserve the chance for their dream. He is willing to do anything possible to help this family succeed.

Councilor Peterson said that the City has offered resources, including the City's financial planner, to work with the Carlsons.

Attorney Brunfelt admired the Carlsons for their efforts; but warned of the City's concern with the hazardous condition of the building. Brunfelt questioned why they do not have an objective health inspector come and prepare a report now. The health inspector will determine whether or not is safe.

Bol stated an inspection would be acceptable. He said the Carlsons "Do not have plans to poison anyone."

Brunfelt said there are experts who specialize in abating black mold. Carlson said they did not have the building inspected prior to purchase.

Councilor Peterson said this has created a new beginning. She expressed the need to have open dialogue, and suggested the Carlsons restart conversations with the City's financial consultant.

Councilor Koivunen said the process needs to keep going, and encouraged the Carlsons to work with the City.

G. CONSENT AGENDA

1. Approval of Payroll – March 1-15, 2012 in the amount of \$90,481.35
2. Approval of Claims – March 2012 in the amount of \$399,044.83
3. Approval for City Council and City Clerk/Administrator to attend League of Minnesota Cities 2012 Annual Conference and Marketplace, June 20-22, 2012, Duluth, MN

H. PUBLIC HEARINGS

None.

I. UNFINISHED BUSINESS

None.

J. NEW BUSINESS

- 1. Consider authorizing the Director of Public Works to call for quotations for the installation of underground power to new camper/RV sites at Veterans Park**

Motion by Councilor Peterson, second by Councilor Hadrava to authorize Director of Public Works to call for quotations for the installation of underground power to new camper/RV sites at the Veterans Park. Ayes – All.

- 2. Consider authorizing the Director of Public Works to call for quotations for the replacement of curbs and sidewalks in various locations in the City**

Motion by Councilor Hoag, second by Councilor Koivunen to authorize the Director of Public Works to call for quotations for the replacement of curbs and sidewalks. Ayes – All.

Director Wiskow said the City chooses the sidewalks to be replaced. He encouraged residents to call if they have an issue with their sidewalk.

- 3. Consider authorizing the City Engineer to prepare plans and call for quotations for cleaning and televising of sanitary sewer mains**

Motion by Councilor Peterson, second by Councilor Hoag to authorize the City Engineer to prepare plans and call for quotations for cleaning and televising of sanitary sewer mains. Ayes – All.

- 4. Consider authorizing 2012 Discretionary Expenditures**

Motion by Councilor Peterson, second by Councilor Koivunen to authorize the following 2012 Discretionary Expenditures (Ayes – All):

Discretionary Expenditure	Amount
<i>Reallocate FT refuse to general fund departments</i>	<i>\$11,250</i>
<i>Reforestation</i>	<i>\$10,000</i>
<i>Retiree benefits set-aside</i>	<i>\$20,000</i>
<i>Golf course – tee boxes</i>	<i>\$2,280</i>
<i>Casuals to pick up trash and mow city properties</i>	<i>\$7,000</i>
<i>Vehicle replacement fund (street department loader)</i>	<i>\$20,000</i>
<i>Auditorium improvements (match for IRRB grant)</i>	<i>\$50,000</i>
<i>Hippodrome improvements</i>	<i>\$32,467</i>
<i>Cemetery turf establishment</i>	<i>\$4,500</i>
<i>Golf course tee boxes</i>	<i>\$1,620</i>

Discretionary Expenditure	Amount
<i>Northside Park improvements (reside building)</i>	<i>\$2,400</i>
<i>Water: Inspect 200,000 Gallon Elevated Tank in West Eveleth (inspect every five years, next inspection 2012)</i>	<i>\$4,000</i>
<i>Refuse: Purchase Twenty (20) 300 & Ten (10) 60 Gallon Dumpsters</i>	<i>\$10,000</i>

5. Discuss allowing Mike Jacobsen to remove the red metal building in the Alice Location

Councilor Peterson said that Mike Jacobsen does not own the building so it should be offered for the general public to bid on. Peterson said it was determined through litigation that the City owns the building.

Motion by Councilor Hadrava, second by Councilor Hoag to allow Jacobsen to remove the red building from the Alice Location. Ayes – Hoag, Hadrava, Koivunen, Vlaisavljevich; Nays – Peterson. Motion carried.

Mike Jacobsen said he will remove the building after road restrictions have been lifted.

6. Letter from Eveleth-Gilbert Youth Hockey Association to rent Hippodrome ice July 23-August 10, 2012

Motion by Councilor Hadrava, second by Councilor Koivunen to approve rental of Hippodrome by the Eveleth-Gilbert Youth Hockey Association from July 23 to August 10, 2012. Ayes – All.

7. Letter from Laurentian Chamber of Commerce regarding opposition to allowing a constitutional amendment to require a legislative supermajority

Councilor Peterson said the resolution would be opposing an amendment which would require a mandate in order to set a budget.

Motion by Councilor Peterson, second by Councilor Hoag supporting Laurentian Chamber Resolution 1-0312, “Laurentian Chamber of Commerce Resolution Supporting Economic Development Recovery in Greater Minnesota.” Ayes – All.

8. Proposed Fire Protection Agreement between City of Eveleth and City of Leonidas for the City of Eveleth to Furnish Fire Protection Services to the City of Leonidas

This item will be addressed at the next Council Meeting.

9. Proposed Park Lease between City of Eveleth and City of Leonidas

This item will be addressed at the next Council Meeting.

10. Resolution Reestablishing Precinct and Polling Places

Motion by Councilor Peterson, second by Councilor Koivunen adopting Resolution No. 2012-10, "Resolution Reestablishing Precinct and Polling Places." Ayes – All.

K. COUNCIL PRESENTATIONS/COMMITTEE REPORTS

Councilor Peterson reminded the Council that she will now act as the alternate on the Eveleth Health Services Park Board and Councilor Hadrava will be the liaison for the Joint ATV/OHM/Snowmobile Trail Board.

Councilor Hadrava said that anyone using the Veterans Lake Park will see some remodeling. The City will be adding campsites, a parking lot and Wi-Fi.

L. ADMINISTRATIVE PRESENTATIONS

Police Chief: Chief Lillis reminded the public that calendar parking is still in effect until the end of April. Lillis said it is important so the Public Works Department can sweep the streets. Chief Lillis has only one more Council Meeting before his retirement.

Public Works Director: Director Wiskow reminded the public of the Spring Refuse collection to start on April 16th.

City Engineer: Eric Fallstrom, Benchmark Engineering, said he hoped to have a recommendation for bids of the 2012 Capital Improvement Projects at the next Council Meeting.

Councilor Hadrava announced that Eveleth is now up against last year's winner of the State of Hockey Capital flag, White Bear Lake. Hadrava encouraged everyone to vote.

Mayor Vlasisavljevich welcomed soon to be Police Chief Tim Koivunen, in attendance.

M. ADJOURN

The meeting adjourned at 7:57 p.m.

Attest:

Robert Vlasisavljevich, Mayor

Jackie Monahan-Junek
City Clerk/Administrator

Approved: April 17, 2012
Published: April 25, 2012