

**MINUTES**  
**Eveleth City Council Meeting**  
**4:30 p.m., August 2, 2011**  
**Council Chambers, City Hall, Eveleth, MN**

**A. CALL TO ORDER**

Mayor Vlasisavljevich called the Meeting to order at 4:30 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 Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; City Attorney Mitch Brunfelt; Director of Public Works Michael Wiskow; Chief of Police Brian Lillis; Eric Fallstrom, Benchmark Engineering

**C. APPROVAL OF MINUTES**

*Motion by Councilor Koivunen, second by Councilor Peterson to approve the Agenda and Minutes of City Council Workshop held July 5, 2011 and Minutes of City Council Meeting held July 5, 2011. Ayes – All.*

**D. APPROVAL OF AGENDA**

**E. APPOINTMENTS/PRESENTATIONS**

**1. Recognize Officer Jesse Linde for Meritorious Service**

Chief Lillis recognized Officer Jesse Linde for ongoing exemplary service to the City of Eveleth and presented Linde with the “Award of Merit.” Officer Linde has been employed by the City for over five years. Lillis described the “Eveleth Cops for Kids” program developed by Linde, and acknowledged his consistent patience and compassion in dealing with youth.

**F. VISITOR/PUBLIC PRESENTATIONS**

None.

## **G. CONSENT AGENDA**

- 1. Approval of Payroll – June 16-31, 2011 in the amount of \$115,056.91**
- 2. Approval of Payroll – July 1-15, 2011 in the amount of \$98,796.27**
- 3. Approval of Claims – July 2011 in the amount of \$816,695.65**

*Motion by Councilor Hoag, second by Councilor Peterson to approve Consent Agenda Items G1-G3. Ayes – All.*

- 4. 2011/2012 Contract with The American Federation of State, County and Municipal Employees, AFL-CIO Local Union 484**

*Motion by Councilor Peterson, second by Councilor Koivunen to approve 2011/2012 Contract with The American Federation of State, County and Municipal Employees, AFL-CIO Local Union 484. (Councilor Hadrava abstained from voting due to a conflict of interest.) Ayes – All*

- 5. Lawful Gambling Premises Permit Application for Climb Theatre, Inc. to be conducted at Goodfellas, 501 Hat Trick Avenue, Eveleth, MN**

*Motion by Councilor Peterson, second by Councilor Hoag to approve Lawful Gambling Premises Permit Application for Climb Theatre, Inc. to be conducted at Goodfellas, 501 Hat Trick Avenue, Eveleth, MN. (Councilor Koivunen abstained from voting due to a conflict of interest.) Ayes – All.*

## **H. PUBLIC HEARINGS**

None.

## **I. UNFINISHED BUSINESS**

None.

## **J. NEW BUSINESS**

- 1. Consider accepting quotation for Eveleth Health Services Park steps/ramp replacement**

Bids were due by 2:00 p.m. on Thursday, July 28, 2011. Mesabi Bituminous was the only bidder for the Eveleth Health Service Park stairs replacement. Mark Wirtanen, Architectural Resources, Inc., recommended the City reject the bid as the amounts were well over budget.

*Motion by Councilor Koivunen, second by Councilor Hoag to reject the bid from Mesabi Bituminous in the amounts of \$50,100.00 for Base Bid A (August 15, 2011) and \$33,400.00 for Base Bid B (September 30, 2011) for the Eveleth Health Services Park steps/ramp replacement. Ayes – All.*

*Motion by Councilor Peterson, second by Councilor Hadrava to set aside the City's purchasing policy for the replacement of the steps/ramp at Eveleth Health Services Park and to authorize City staff to proceed in negotiations with plan holders. Ayes – All.*

**2. Introduction and First Reading of an Ordinance Amending Ordinance No. 35, 2<sup>nd</sup> Series Revising Chapter 11 Entitled "Zoning Ordinance for the City of Eveleth"**

Tony Jeffries, Planning Commission, distributed and read a letter to the Council.

It was questioned whether a variance could be issued rather than amend the Ordinance. City Attorney Mitch Brunfelt said this is not a situation where a variance can be used, and that the most appropriate approach is to amend the zoning ordinance.

*Motion by Councilor Hoag, second by Councilor Peterson to allow for the first reading and introduction of an Ordinance Amending Ordinance No. 35, 2<sup>nd</sup> Series Revising Chapter 11 Entitled "Zoning Ordinance for the City of Eveleth." Ayes – All.*

Lori Maki, Chicagami, said they are very happy to stay in Eveleth. Nancy Larsen distributed a copy of Chicagami's business plan to the Council.

**3. Consider Approving Pay Request No. 3 from Jola & Sopp Excavating, Inc. in the amount of \$272,648.99 for the 2011 Capital Improvement Project**

*Motion by Councilor Koivunen, second by Councilor Hadrava to approve Pay Request No. 3 from Jola & Sopp Excavating, Inc. in the amount of \$272,648.99 for the 2011 Capital Improvement Project. Ayes – All.*

**4. Consider Approving Change Order No. 1 from C&C Winger, Inc. in the amount of \$300.10 for Aad Mine Surface Remediation Project**

*Motion by Councilor Peterson, second by Councilor Hoag to approve Change Order No. 1 from C&C Winger, Inc. in the amount of \$300.10 for Aad Mine Surface Remediation Project and Pay Request No. 2 (final) from C&C Winger, Inc. in the amount of \$23,540.85 for Aad Mine Surface Remediation Project. Ayes – All.*

**5. Consider Approving Pay Request No. 2 (final) from C&C Winger, Inc. in the amount of \$23,540.85 for Aad Mine Surface Remediation Project**

Approved in above motion.

**6. Pension Increase for Eveleth Police and Fire Relief Association**

*Motion by Councilor Peterson, second by Councilor Koivunen to approve pension increase for Eveleth Police and Fire Relief Association in the amount of one percent. Ayes – All.*

**7. Agreement for Transfer of Entitlement (from the Eveleth Virginia Airport to Walker Municipal Airport)**

*Motion by Councilor Hadrava, second by Councilor Hoag to approve Agreement for Transfer of Entitlement from the Eveleth Virginia Airport to Walker Municipal Airport. Ayes – All.*

**8. Request to Commit Additional Funds for Olde Town Eveleth Neighborhood Revitalization Mini-Grants**

*Motion by Councilor Peterson, second by Councilor Koivunen to authorize an additional \$10,000 to be committed to the Olde Town Eveleth Neighborhood Revitalization Mini-Grant Program. Ayes – All.*

**9. Request for Financial Assistance from Eveleth Health Services Park Fitzgerald Nursing Home**

*Motion by Councilor Koivunen, second by Councilor Hoag to provide a loan up to \$50,000 to Eveleth Health Services Park Fitzgerald Nursing Home; the principal amount of fifty thousand and no/100's dollars (\$50,000) to be paid back to the City of Eveleth, in full, on or before February 2, 2012 (six months from August 2, 2011), at an interest rate of 0%; a Promissory Note must be signed by the Eveleth Health Services Park Fitzgerald Nursing Home Board Chair and provided to the City Clerk/Administrator before the check is issued; the Nursing Home Administrator must provide the City Clerk/Administrator, within 7 days of receipt of the loan funds, a report detailing the use of the loan funds. Ayes – All.*

Paul Fischer, Fitzgerald Nursing Home Administrator, indicated the Nursing Home would be receiving around \$47,000 from the State for Medicare reimbursement by August 11, 2011. The consensus of the Council was to issue a promissory note and loan the \$50,000 to be repaid in six months as the Nursing Home will need funds to cover the upcoming September third payroll.

Councilor Peterson expressed her concern that the City is loaning money to a private business. Attorney Brunfelt said the City, as the landowner of the building, has a vested interest in temporarily helping the facility prosper.

## 10. Mike Jacobsen Land License in the Alice Location

Mayor Vlasisavljevich said he was not aware that the City had an eviction notice against Mike Jacobsen two years ago. Vlasisavljevich said he would like Jacobsen to remove his property by August 26, 2011.

Councilor Koivunen said it has been a struggle, and there are now more trucks on the site.

Councilor Hadrava questioned whether or not the City would buy back the red shop building from Jacobsen.

City Attorney Brunfelt reminded the Council that pursuant to Court Order, Jacobsen does not own any of the buildings.

*Motion by Councilor Peterson, second by Councilor Koivunen, that by August 26, 2011, the former Eveleth Flour & Feed building and corrugated metal building will be removed from the premises (including all contents of the buildings), and the concrete mixer truck, semis/trailers, all concrete debris, and all other debris/items located outside of all the buildings on the premises will be removed; that by September 4, 2011, Mike Jacobsen will provide to the City Clerk/Administrator his plan to remove the cement plant/office and red shop building and their respective contents by December 31, 2011; and that the City will grant a land license for the red shop building only through December 31, 2011. Ayes – All.*

Director of Public Works Mike Wiskow will look into options for demolition of the old Flour & Feed building.

Bill Aho, 1080 Industrial Park, said the Council had been very generous with Jacobsen. Aho referred to a judgment against Michael Jacobsen of Economy Ready Mix in July of 2008. The Court allowed Jacobsen until March 21, 2009 to remove his property. Pursuant to the Court order, Jacobsen would have relinquished his rights to all buildings and the City would have been able to take measures. Aho questioned, "When does it end?" He does not want to see any more of his money or taxpayers' money being spent on Mike Jacobsen and that the Alice Location is precious land to the City of Eveleth which is not being managed correctly.

Mayor Vlasisavljevich said the issue is done, and is going to be taken care of.

Aho showed some pictures of the Jacobsen site and asked, "Is the future going to be the same?"

City Attorney Brunfelt pointed out that the City of Eveleth succeeded in the legal action. Brunfelt said a lot of money was spent, but the City prevailed completely and the Court

ordered Jacobsen to be evicted. Jacobsen is still there because of Council action subsequent to the Court order.

## **11. Status of Former Days Inn**

Mayor Vlasisavljevich and City Clerk/Administrator Monahan-Junek met with the current owner of the former Days Inn, Steve Carlson, in February of 2011. At that time, Carlson planned to open the facility in August 2011. Since that time, there has been vandalism and theft at the site. The property is also in violation of the City's blight code. Vlasisavljevich met with Carlson again last Friday, and advised Carlson that the City cannot allow a property owner to operate in this capacity.

City Attorney Brunfelt explained the process of condemnation.

Chief Lillis said that several other law enforcement departments have been exposed to hazards while responding to criminal activity at the site. Lillis was informed by Carlson that he did not want to replace windows until he's ready to open the facility for fear that new windows would be broken.

*Motion by Councilor Hadrava, second by Councilor Koivunen to authorize the City Attorney and City Clerk/Administrator to discuss purchase negotiations with land owner, Steve Carlson, of the former Days Inn property. Ayes – All.*

Attorney Brunfelt said the City will acquire the property either by agreement or via Court action.

## **12. Closed Session – Attorney/Client Privilege to discuss the purchase of property**

The Council did not meet in closed session.

## **K. COUNCIL PRESENTATIONS/COMMITTEE REPORTS**

Councilor Peterson updated the Council on the Summer Reading Program at the Library.

Bill Aho read a letter from the Eveleth Merchants regarding the Alice Location.

## **L. ADMINISTRATIVE PRESENTATIONS**

None.

## **M. ADJOURN**

The meeting adjourned at 6:20 p.m.

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Robert Vlasisavljevich, Mayor

Attest:

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Jackie Monahan-Junek  
City Clerk/Administrator

Approved: September 6, 2011  
Published: September 21, 2011