

MINUTES
Eveleth City Council Meeting
7:00 p.m., December 18, 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 Brad Hadrava, Present
Councilor Brian Hoag, Present
Councilor Joseph Koivunen, 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 Timothy Koivunen; Director of Public Works Michael Wiskow; Eric Fallstrom, Benchmark Engineering

C. APPROVAL OF MINUTES

Motion by Councilor Peterson, second by Councilor Koivunen to approve Agenda with addition of J15. "Approve Liquor Licenses for Soph's Eat It & Beat It, Inc. dba Goodfellas, 501 Hat Trick Avenue, Eveleth, MN;" and to approve Minutes of City Council Workshop held December 4, 2012 and Minutes of City Council Meeting held December 4, 2012. Ayes – All.

D. APPROVAL OF AGENDA

E. APPOINTMENTS/PRESENTATIONS

None.

F. VISITOR/PUBLIC PRESENTATIONS

Mark Miller, Eveleth resident on Grant Avenue, asked if the Council has noticed the new taxicab signs on Grant Avenue.

G. CONSENT AGENDA

1. Approval of Payroll – November 16-30, 2012 in the amount of \$118,869.40

2. Travel Request for two Public Works employees to attend the Minnesota Rural Water Association Technical Conference in St. Cloud, MN, March 5-7, 2013
3. Travel Request for one Police Officer to attend D.A.R.E. Officer Training, St. Paul, MN, January 28-February 8, 2013
4. Application for Exempt Permit, Range Transitional Housing, Inc. at Goodfellas, 501 Hat Trick Ave.
5. Amendment to Grant Agreement for Tree Removal and Replanting or Planting for Diversity, 2012-2014 Funding Cycle with the Minnesota Department of Natural Resources

Motion by Councilor Koivunen, second by Councilor Hadrava to approve Consent Agenda. Ayes – All.

H. PUBLIC HEARINGS

None.

I. UNFINISHED BUSINESS

None.

J. NEW BUSINESS

1. Resolution Adopting 2013 Budget

Motion by Councilor Peterson, second by Councilor Hoag to adopt Resolution No. 2012-29, “Resolution Adopting 2013 Budget.” Ayes – All.

2. Resolution Adopting 2013 Levy

Motion by Councilor Koivunen, second by Councilor Hoag to adopt Resolution No. 2012-30, “Resolution Adopting 2013 Levy.” Ayes – All.

3. Application for On Sale Intoxicating Liquor License, Tuna’s Bar, 507 ½ Grant Ave.

Mick Lang, 718 Summit Street, Eveleth, addressed the Council regarding the request for an On Sale Liquor License at Tuna’s Bar, 507 ½ Grant Avenue. Kiki Schomberg is the applicant for the license. Lang said he will be marrying Schomberg in four days and feels like he will have a say in the business once they are married. Lang said he owns a construction business in town and has already purchased materials for the roof and started gutting out the Tuna’s building. He offered the Council to go up there and look right now because the building is gutted. Lang said that other businesses in town have lost money since Tuna’s has been closed; especially during the hunting and fishing season.

Mayor Vlasisavljevich revealed some concerns. He said that Ms. Schomberg owes the City about \$600.00 in unpaid parking tickets. Vlasisavljevich said there needs to be a

payment plan for the unpaid utilities and a business plan for how the business will be run. Vlaisavljevich said any decision made to be contingent upon having his concerns worked out by the second meeting in January.

Lang said that the business would not take off right away, but that the roof has been sealed up from the water and ice. Lange said, "People think the roof caved in. The roof didn't cave in; just the plaster on the inside fell off because it got too wet."

Council Hoag said he would like to entertain a motion to pass the liquor license contingent upon the State Alcohol Board approving the licensure and everything falling into place by the end of the year. Hoag said he was not looking at the moral aspect of the business, but that he was looking at it as a business that is helping the tax base in town.

City Attorney Brunfelt advised that the motion was a little vague based on "everything coming back." Brunfelt said it seems that there are numerous loose ends and if the motion would be based on contingencies, the conditions would need to be spelled out. Brunfelt questioned the readiness of the application as it was a faxed copy and not the original.

Mick Lang said that we were told by "her" to fax the copy and later provide the original. City Clerk Administrator Monahan-Junek clarified that Ms. Schomberg had indeed faxed a copy of the application to Deputy City Clerk Stephanie Friebe. Deputy Clerk Friebe had informed Ms. Schomberg that an original copy would need to be provided to Clerk's Office prior to the City submitting the application to the State. Monahan-Junek concurred with Brunfelt that certain contingencies were in order.

Attorney Brunfelt explained that although the City may grant the license, there is no guarantee that Liquor Control would approve the license.

Councilor Hoag began to discuss contingencies such as completing an original application and making payments on the utility bill.

Chief of Police Koivunen said he had a conversation with Liquor Control. Koivunen was advised that without the original signatures, they do not have a completed application. Liquor Control also advised Koivunen that once the application has been sent in, they do not have control of the turnaround time. They cannot guarantee the application would be completed before January 1st. Koivunen also addressed an issue Mr. Lang referred to regarding outstanding parking tickets. He said that Ms. Schomberg did come into the Police Department today and paid \$100.00 of her outstanding tickets. However, there is still \$513.00 in outstanding collections. Koivunen reiterated that it is his recommendation not to approve this application based on the parking tickets and other pertinent information provided to the Council.

Chief Koivunen referred to the time crunch and opined that this process could have been done months ago. He said it is now being put into the City's lap just so Lang can open

for eight hours to cover himself under the City's zoning ordinance. Koivunen referred to City Attorney Brunfelt when stating that the business would need to open in the same capacity, as when it closed, in order to qualify under the ordinance. Koivunen does not see that happening under the current time frame.

Councilor Hoag said he respected that, but if Lang is able to meet the obligations, then so be it.

Councilor Koivunen said that his understanding is Lang would like to open for eight hours, and then close in order to fix up the place. The only reason Lang is opening for eight hours is to fall under the previous zoning in order to keep the dancers and alcohol.

Councilor Peterson said that previous owners have opened the business, not put any money into it and then it closed again. Peterson said she appreciates that Lang has already put money into the business, but wondered if the motion could include stipulations that the liquor license would be revoked if certain aspects were not met; such as the business plan in writing by the second meeting in January. Peterson said it is very hard for her to vote against a staff person, who she hired to do a job, who gives a five page letter and a recommendation not to approve the liquor license. She also pointed out Lang and Schomberg were working under an unnecessary rushed time frame and wanting the City to push it through.

Lang said the reason for the last minute request was due to an offer from the building owner, Tom Hall, which was too good to resist.

Mayor Vlaisavljevich said he wanted the back tickets paid up by the second meeting in January.

Attorney Brunfelt advised that the Council is dealing with two different motions. One motion to approve the liquor license application and another to set stipulations for possible revocation of the license.

Councilor Peterson said she found it interesting that Lang would try to rush things through rather than go through the proper zoning process to keep the dancers. Councilor Hadrava said it was possible that the zoning would not go through to keep the dancers. Hadrava recapped Tom Hall's concern at the Council Meeting two weeks ago. Hadrava said at that time, City Attorney Brunfelt said there would be no guarantee.

Mayor Vlaisavljevich said he would like some guarantees in case things do not work out. Vlaisavljevich said the Police Department's main concern is public safety, and he does not want to give them another nuisance to take care of.

Councilor Peterson said there are people who look at this as a moral avenue and not a business decision. Peterson said there is a fine line.

Attorney Brunfelt said he must weigh in legally as far as the grandfathering in this business. He said there is a concept that, "If I just hang an open sign on my door and stay open for eight hours, then I'm grandfathered in." Brunfelt said that is legally very questionable and is basically a fiction. Brunfelt said the other problem is the comment that I am not going to consider moral turpitude or business reputation. Brunfelt said the Council cannot ignore that since the ordinance requires them to look at those items in order to consider an application. Brunfelt said that Chief Koivunen has provided the Council with significant information indicating there are some real questions on both of those factors that need to be applied when they are weighing the decision for an applicant.

Councilor Hoag said that he was referring to the ordinance (which was amended last year) in affect for those types of activities.

Lang said that he pays his bills. The parking tickets are not his so he was not aware of them. Lang said that Schomberg came to pay them but was told to come back to talk to the secretary.

Chief Koivunen said that there are two separate sets of tickets. One set of tickets has already gone into collection. He informed the Council that Ms. Schomberg had told him she was not going to pay the tickets that had gone into collections.

Councilor Peterson said she must look out for the constituents as to whether this is a sound business.

Lang said he owns a construction business which is very profitable. He said, "Why would I want to keep that business in Eveleth, if you aren't willing to help me with this?"

Motion by Councilor Hoag, second by Councilor Hadrava to approve Application for On Sale Intoxicating Liquor License, to Kiki Schomberg, Tuna's Bar, 507 ½ Grant Avenue, Eveleth, Minnesota contingent on the following stipulations before forwarding on to the State's Alcohol and Gambling Enforcement Division:

- *Applicant signing original application at the Deputy Clerk's Office;*
- *Establishing a four month payment plan for utilities with the first payment due immediately of \$300.00; each month will include a payment of \$300.00 plus the current charges for the month*
- *Payment in full of all parking tickets*

Roll Call Vote: Peterson – No; Koivunen – Yes; Hoag – Yes; Hadrava – Yes; Vlasisavljevich – No. Motion carried.

Councilor Peterson confirmed with Lang that if the liquor license is not approved from the State by December 31st, Lang is not interested in opening a bar. Lang will only open if he is allowed to open as a strip club.

Motion by Councilor Peterson, second by Mayor Vlasisavljevich that if the liquor license is approved, Applicant Kiki Schomberg must present City Clerk/Administrator Monahan-

Junek and Chief of Police Koivunen with a business plan and construction schedule by January 15, 2013 and that this item be added to the January 15, 2013 City Council Agenda or the liquor license will be revoked. Ayes – Peterson, Koivunen, Hoag, Vlaisavljevich; No – Hadrava. Motion carried.

4. Letter from Adam Venne regarding insurance claim denial

Mayor Vlaisavljevich asked Adam Venne for patience as the history of the property at 307 B Avenue, Eveleth, MN, needs to be further investigated.

5. Independent Contract Between City of Eveleth and Anthony Jeffries for Zoning Administrator Services

Motion by Councilor Peterson, second by Councilor Hoag to approve the Independent Contract Between City of Eveleth and Anthony Jeffries for Zoning Administrator Services. Ayes – All.

6. Tobacco Licenses for 2013

Motion by Councilor Koivunen, second by Councilor Hoag to approve the following tobacco licenses for 2013:

Business Name and Address	Owner/Officer
Eveleth Bottle Shop 433 Fayal Road Eveleth, MN 55734	Michele B. Begich-Johnson
Jon’s Drug 318 Grant Avenue Eveleth, MN 55734	Jon Marcaccini
KAY KOR Inc. DBA: Snicker’s Lounge 212 Grant Avenue, PO Box 677 Eveleth, MN 55734	James Bonicatto
C & B Warehouse Distributing, Inc. DBA: Eveleth Short Stop 410 Grant Avenue Eveleth, MN 55734	David Russell Troutwine

Ayes – All.

7. Request to Transfer 2012 Budget Dollars to Permanent Funds

Motion by Councilor Peterson, second by Councilor Koivunen to approve transfer of 2012 budget dollars into the permanent funds. Ayes – all.

8. Consider Approving Fuel Purchases for 2013

Motion by Councilor Peterson, second by Councilor Koivunen to approve fuel purchase for 2013 from Old Time Oil & Auto at a cost of \$0.03 per gallon less than the pump price on the day of purchase. Ayes – All.

9. Request from Police Chief for Abandonment Declaration and Disposal of Vehicle

Motion by Councilor Hadrava, second by Councilor Hoag to authorize Chief of Police to dispose of the following vehicle by public auction to be conducted by Oberfoell Auctioneer/Do-bid.com: 2000 Honda Foreman TRX 400, VIN: 478TE2005Y4100215. Ayes – All.

10. Request from Cynthia Hadrava to carry over 2012 vacation to 2013

Motion by Councilor Peterson, second by Councilor Koivunen to authorize Utility Clerk Cynthia Hadrava to carry over 10.75 hours from 2012 vacation over into 2013 and to use remaining hours by April 30, 2013. Ayes – All.

11. Request to purchase fire fighter gear

As of today, the City has not been awarded a grant for the purchase of new firefighter gear. Chief Pete Makowski will be checking with the grantor on the status of the grant.

Motion by Councilor Hoag, second by Councilor Koivunen to approve the request from Fire Chief to purchase four sets of firefighter gear at around \$8,000 contingent upon the City not receiving a grant for the equipment. Ayes – All.

12. C.A.R.E. Commission donations request

Motion by Councilor Koivunen, second by Councilor Hoag to donate \$500.00 to the C.A.R.E. Commission for the 24th Annual Eveleth-Gilbert All Night Post-Graduation Party. Ayes – All.

13. 9th Annual Arrowhead D.A.R.E. Bonspiel Donation Request

Motion by Councilor Koivunen, second by Councilor Peterson to donate \$100.00 to the 9th Annual Arrowhead D.A.R.E. Curling Bonspiel to be held January 25-26, 2013. Ayes – All.

14. Reschedule January 1, 2013 City Council meeting to January 2, 2013

Motion by Councilor Koivunen, second by Councilor Peterson to reschedule the January 1, 2013 City Council Meeting to January 2, 2013 at 5:00 pm. Ayes – All.

15. Approve Liquor Licenses for Soph's Eat It & Beat It, Inc. dba Goodfellas, 501 Hat Trick Avenue, Eveleth, MN

The liquor license application was received from John Uhan by Deputy Clerk Friebe on December 17, 2012 for an Off-Sale, On-Sale and Sunday On-Sale Liquor License. City Clerk Administrator Monahan Junek confirmed with St. Louis County that there are delinquent taxes of \$13,308.72 and current taxes due for 2012 of \$6,827.62 for a total of \$20,136.30.

Councilor Peterson said the Council will be working to try to clear up some of the issues with delinquent taxes related to liquor license holders over the next year.

Motion by Councilor Peterson, second by Councilor Hoag to approve Application for 2013 Off-Sale, On-Sale and Sunday On-Sale Liquor Licenses for Soph's Eat It & Beat It, Inc. dba Goodfellas, 501 Hat Trick Avenue, Eveleth, Minnesota. Ayes – All.

K. COUNCIL PRESENTATIONS/COMMITTEE REPORTS

None.

L. ADMINISTRATIVE PRESENTATIONS

Public Works Director – Director Wiskow reminded the public that refuse pickup will take place as normal over the holidays, but recycling will resume on Wednesday. Wiskow said it has been a privilege to work with Councilor Hoag over the last four years.

City Engineer – Eric Fallstrom, Benchmark Engineering, updated the Council on the 2013 Capital project for Jones Street. The county is looking at a March bidding and an April bid opening with an anticipated start date of May.

Clerk/Administrator – Monahan-Junek bid farewell to Councilor Brian Hoag pointing out that she plans to see him around for future redevelopment of the City's Auditorium Building.

City Attorney Mitch Brunfelt said it has been a pleasure working with Councilor Hoag.

M. ADJOURN

The Meeting adjourned at 7:53 p.m.

Attest:

Robert Vlasisavljevich, Mayor

Approved: January 15, 2013
Published: January 23, 2013

Jackie Monahan-Junek
City Clerk/Administrator