

**MINUTES**  
**Eveleth City Council Workshop**  
**4:45 p.m., January 19, 2016**  
**Council Chambers, City Hall, Eveleth, MN**

Mayor Robert Vlasisavljevich, Present  
Councilor Brian Hoag, Present  
Councilor Brad Hadrava, Present  
Councilor Brian Lillis, Present  
Councilor Joseph Koivunen, Present

Also present: City Clerk Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; City Attorney Bonnie Thayer; Chief of Police Timothy Koivunen; Director of Public Works Jerry Rosati; Consultant Dave Salene

Mayor Vlasisavljevich called the meeting to order at 4:45 p.m.

**1. Update and discuss Chicagami project**

Consultant Dave Salene gave an update on the Chicagami Project. Salene indicated that after about the fourth design, the building is a little smaller. He said there is an effort from the governor's office to provide free preschool education across the state. There has been no legislative support, but it is a possibility that could impact Chicagami. At this time, the Eveleth School District is not making accommodations for preschool. The project cost for a new daycare facility is between \$2.3 and \$2.7 million. With grant money, the cost would be between \$2.0 and \$2.3 million. The City would have \$350,000 equity (IRRRB grant) plus the land with the 2.3 million dollar mortgage.

City Clerk Administrator Monahan-Junek reported to date the City has spent around \$10,000 to \$15,000 for architectural planning and soil borings.

Salene conveyed that Chicagami did offer their lake property to the City as collateral. Mayor Vlasisavljevich questioned the school's interest in Chicagami as they have not yet agreed to a lease extension.

Councilor Koivunen voiced his concern with a \$2 million project due to the economy. Koivunen said he would feel more comfortable around \$800,000.

Councilor Hadrava and Salene discussed county subsidized daycare students. Salene stated that only a small percentage are supported by the County.

Councilor Lillis expressed his concern with the school's lack of interest. Salene said that if the City does not get a definitive response from the school district about extending the lease

from June 2016 to December 31, 2016 the City cannot move forward with supporting the Chicagami project.

Salene clarified that Chicagami would need to provide him with financial records monthly. As part of the agreement, the City would have a right to take action (if needed) and eliminate a foreclosure or legal process. The City would then be able to hire someone to operate the facility with daycare experience.

**2. Discuss Assignment of Real Estate Mortgage (Miners National Bank Drobnick loan to City of Eveleth/EDA)**

The Council discussed the mortgage loan for the Curt Drobnick property and transferring up to \$22,000 to the EDA for the mortgage.

**3. Closed Session – Develop an offer for the purchase of real property (Sly 625 ft. of SW¼ of SE ¼ Lying Ely of Hwy #53, Section 29, Township 58, Range 17; PIN 040-0205-00108)**

The Council went into closed session at 5:29 p.m. to discuss developing an offer for the purchase of real property (Sly 625 ft. of SW¼ of SE ¼ Lying Ely of Hwy #53, Section 29, Township 58, Range 17; PIN 040-0205-00108). The closed session ended at 5:45 p.m.

**4. Update on EHSP, Inc. exercising purchase option as stated in the lease with the City**

Salene updated the Council indicating Jessica Raad would most likely plan to purchase the EHSP building next year.

**5. Discuss recent newspaper article “Develop or enhance public archery ranges through DNR grant” and interest by City of Leonidas to possibly partner with Eveleth**

Joanne Milton, Leonidas Council member, approached Jackie recently to see if the City of Eveleth would be interested in partnering with Leonidas to develop an archery range. The Minnesota DNR is offering grant money. The Council is in favor of exploring this opportunity.

**6. Discuss IRRRB possible grant funding for `shovel ready` “Jobs Stimulus Public Works Program” for Spring 2016**

Director Rosati received an email from Chris Ismil, IRRRB, indicating they may have money available for shovel ready projects. Rosati submitted some of the City’s overlay and sanitary sewer projects for review.