

**MINUTES**  
**Eveleth City Council Workshop**  
**12:30 p.m., February 23, 2016**  
**Council Chambers, City Hall, Eveleth, MN**

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

Also present: City Clerk Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; Director of Public Works Jerry Rosati; Assistant Public Works Director Scott Smith; Consultant Dave Salene

**1. Auditorium Improvements – Mark Wirtanen from Architectural Resources will be present**

Mark Wirtanen and Amanda Isaacs, Architectural Resources Inc., reported on the City Auditorium building. Wirtanen distributed a memo to the council dated February 3, 2016 detailing his recent review of the structure. He described some of his concerns and listed the following priorities:

Fix the Floors: During his evaluation of the building, Wirtanen discovered broken floor joists below the recently remodeled handicapped bathroom, and modified floor joists under the auditorium space where the floor was patched.

Separate the Auditorium from the Fire Hall: The Auditorium and Fire Hall are accessible to each other through what once was called the “Light Court.” The area has been roofed over and serves as a storage space for the Fire Hall. Pursuant to the International Building Code, Section 706.1.1, any wall located on a lot line between adjacent buildings shall be construed as a fire wall. Wirtanen has proposed the City build a two to three hour fire wall between the two structures, or install a sprinkler system in the Fire Hall.

Fix Emergency Exits: The emergency exits in the main auditorium, main entrance, and stage area need to be modified.

Clean Ducts: The ductwork needs to be cleaned and perhaps modified. Wirtanen observed dust throughout the building which will continue to blow around until the ducts are cleaned.

Determine Building Occupancy: The City needs to determine the use of the building in order to establish capacity limits. The restroom facilities are not adequate to hold a large crowd. The City also needs to have the Fire Marshal determine the capacity and install a sign with capacity limits.

Other items of mention were the mechanical systems. The air intake and outlet louvers should be replaced, and the new radiators do not seem to be keeping up with the heat demand.

The Council expressed their disappointment that the contractor did not bring the broken floor joists to the City's attention. It is likely that the newly remodeled handicapped bathroom floor will need to be replaced after the joists have been fixed.

Councilor Lillis voiced his concern over public safety and the need to correct the issues. Wirtanen and Isaacs will work to provide some cost estimates to the Council.

## **2. Update and discuss Chicagami project – David Salene**

City Clerk Administrator distributed a memo from Consultant Dave Salene updating the Council on the Chicagami Day Care Center Financial Review. Salene explained that after reviewing Chicagami's 2015 annual financial statement, Chicagami had a net income of \$28,300. In order to afford the proposed debt, Chicagami would need to increase their net income to \$215,492 which would be a 750% increase. If the new building is constructed, the City would be at risk for \$1.7 to \$2.0 million. The building will be designed for a single use which would make it more difficult to repurpose. Salene opined that the risk is too high for the City.

Mayor Vlasisavljevich said the school seems unwilling to partner with Chicagami. Vlasisavljevich stated that the school is a big benefactor of Chicagami and should be concerned due to their declining student enrollment.

Salene and Monahan-Junek attended a School Board Meeting in January. At that time, they were informed that they should attend a meeting with the Building and Grounds Committee. To date, the City has not been invited to a meeting.

Salene informed the Council that Chicagami may qualify for a USDA Rural Development Loan. Councilor Lillis asked how long it would take for Chicagami to get a Rural Development Loan. Salene said it may take a year or longer, but in some cases rural development loans are quick moving depending on the project. Monahan-Junek said that community daycares are high on the priority list for Rural Development.

Mayor Vlasisavljevich said, "I think we should put the brakes on."

Council Lillis said he would be in favor of Chicagami making an application to Rural Development. Lillis said, "They need to step up to the plate."

Councilors Lillis and Hoag concurred their interest on keeping Chicagami in town, but not exposing the City to 2.3 million dollars. Mayor Vlasisavljevich said he would like to know where the school stands.

### **3. 2016 Discretionary Capital Budget**

Once the plan for utility rate increases have been submitted, the PFA will issue the loan to the City. Currently the balance has been paid out of the City's general fund. Councilor Lillis suggested that the City use some discretionary capital to make it whole. He said the Council realizes that something needs to be done with the rates.

The meeting adjourned at 2:34 p.m.