

MINUTES
Eveleth City Council Workshop
9:00 a.m., July 22, 2015
Council Chambers, City Hall, Eveleth, MN

Mayor Robert Vlasisavljevich, Present
Councilor Brian Hoag, Absent
Councilor Brad Hadrava, Present
Councilor Brian Lillis, Absent
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; Assistant Director of Public Works Jerry Rosati; Fire Chief Scott Haas

Mayor Vlasisavljevich called the meeting to order at 9:00 a.m.

1. Update on former Fingerhut building purchase

Consultant Dave Salene gave an update on the former Fingerhut building. The City will be purchasing the building for \$249,000. The sale included 12.0 acres of additional land. Bart Kyte, 2 Rivers Auction, will lease the building with hopes of eventually purchasing it from the City.

Mayor Vlasisavljevich asked if the City could do a little landscaping at Alice Location and allow individuals to lease the space for storage vehicles such as RVs. Salene said he would hesitate to enter into a long term agreement for storage. NTS applied for a grant on the City's behalf to work towards finalizing a Response Action Plan. The grant was denied, but another opportunity will be available in November.

City Clerk/Administrator Monahan-Junek will contact NTS to find out whether or not the City can lease out space.

2. Discuss VEEDA

The Council received a memo from Consultant Dave Salene regarding the proposed amendment to VEEDA. The recommendation is to downsize the board of directors into a smaller board and limit authority to the lands that incorporate the two buildings controlled by the Joint Powers Agreement.

The City's annual budget for VEEDA is \$85,000. VEEDA makes the quarterly payment so the City ends up paying around \$65,000 per year. This item will be added to the next regular City Council Meeting in August.

Consultant Salene informed the Council that the assisted living project at Eveleth Health Services Park will be put on hold for at least a year. Jessica Raad, owner of Fitzgerald Nursing Home & Rehab, plans to purchase the nursing home building from the City in January of 2016 pursuant to the lease agreement. The EPCN funding for nursing homes will come to an end this year. A new federally funded program will allow nursing homes to receive some reimbursement for health care and employee wage increases. There is an 18 month waiting period for the reimbursement. Raad has decided to wait to move forward with the assisted living project until after the upfront costs (around \$400,000) have been reimbursed to the nursing home. Salene will be in contact with Commissioner Mark Phillips to secure the IRRRB funding for future use when the project is ready to move forward, and will inform him the City will not be using the current \$350,000 grant for assisted living.

Salene said there is a strong possibility that another group of physicians may be taking over the clinic. One thought is to put the clinic in front (grassy area) for easier access to the public. The existing clinic could be taken down and the assisted living constructed in the alley on the north side of the nursing home. Salene encouraged the Council to hold off on paving the parking lot for the clinic due to the possibility of its future relocation.

Mayor Vlasisavljevich said the clinic looks “like it’s going out of business.” He said repaving the lot will be a good marketing tool as well as provide easy access to the building for patients.

Councilor Hadrava indicated the school board was in discussions about raising the rent for Chicagami. Salene had a recent phone conference call with the school board to discuss monthly progress. Salene said the new building budget and design is developing. Chicagami needs to fund raise for certain projects. The deadline for moving into the new Chicagami building is December 2016.

3. Fire consolidation

Mayor Vlasisavljevich received a letter from Congressman Nolan voicing his support for efforts in consolidation of the Eveleth, Gilbert, and Fayal Fire Departments. The plan would be for each community to have their own committee to represent for future meetings and discussion on consolidation. Councilors Koivunen and Lillis served on the Eveleth Safety Committee along with Fire Chief Haas and City Clerk/Administrator Monahan-Junek. They will make up Eveleth’s fire department consolidation committee. Future joining of police departments will also be discussed.

4. Sanitary Sewer – Eveleth, Gilbert, Fayal

Mayor Vlasisavljevich and Councilor Hadrava will serve on the sanitary sewer consolidation committee.

5. Blighted properties

Mayor Vlasisavljevich would like City Attorney Bonnie Thayer to send out letters to blighted properties. Thayer advised that if the properties are hazardous to the public, the property owners can be cited under Minnesota statute. Several properties in violation were discussed.

City Clerk/Administrator Monahan-Junek informed the Council that the bank would like to donate the house at 625 Summit Street to the City. The bank would pay outstanding utilities and taxes and give the City \$10,000.

Fire Chief Scott Haas said that large vacant structures can be used by the fire department. They do not burn the buildings, but use them for training exercises.

The meeting adjourned at 9:58 a.m.