

MINUTES
Eveleth City Council Workshop
3:15 p.m., October 1, 2014
Council Chambers, City Hall, Eveleth, MN

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

Also present: City Clerk Administrator Jackie Monahan-Junek; Director of Public Works Michael Wiskow; Police Chief Tim Koivunen; City Engineer Eric Fallstrom; Financial Consultant David Salene

1. Update/Discuss

- Aqua Power Expansion - Salene reported that the tax abatement hearing will be forthcoming, with the council calling for a public hearing. The City needs to update its business subsidy policy to be compliant with state statute. A public hearing on the business subsidy policy will be forthcoming, with the council calling for a public hearing. The City Council needs to set the “floor” for wages in the business subsidy policy. There was a formula error in the tax abatement calculation for 2015. Since the preliminary levy is already set (including the tax abatement), the development agreement will reflect the 2015 tax abatement based on the original formula (which is less than the remaining years’ abatement).
- Assisted Living – Salene reported that he continues to work on the budget with Jess Raad. The goal is for spring 2015 construction.
- Chicagami – Salene reported that Chicagami provided a business plan and financials. The financials were incomplete so Salene met with Chicagami to receive and discuss the complete financials.
- City Storage Needs – Chief Koivunen reported that there is a lot of non-PD stuff in the PD garage that needs to be removed. Clerk Monahan-Junek reported that the closing on the purchase of the Arrowhead Laundry building (and detached garage) will be very soon and that the detached garage could be used for city storage until the environmental issues are resolved and the site is sold. Monahan-Junek also stated that the CEO of St. Raphael’s asked again if the City would rent them a garage to store their van. It was agreed to previously with St. Raphael’s that at the time of closing, St. Raphael’s would remove all personal property. The City will not grant them a short-term lease of the garage to store

their van. The City Council reiterated their desire to use the garage space to store City property at this time until the environmental issues are resolved and the site is sold.

- Other Initiatives

- The Department of Revenue, located in the basement of the Library, is requesting a lease renewal at 1% for the first year and 0% for the second year. Staff will work to get a longer lease renewal period and possibly a yearly lease increase. The Department of Revenue has been a good tenant at the Library and in the City.
- VEEDA – Salene and Monahan-Junek continue to work on the reorganization of VEEDA.

2. Discuss 2014 Street & Alley Improvement Project

Director Wiskow updated the Council on the progress and issues with this project. The Contractor will be requesting a project time extension at the next City Council meeting.

3. Discuss Hayes St. Sanitary Sewer Project

Director Wiskow updated the Council on the progress and issues with this project. The Contractor will be requesting a project time extension at the next City Council meeting.

4. 2015 Budget

The 2015 budget and discretionary expenditures will be discussed at subsequent meetings

Meeting adjourned at 4:45 p.m.