

MINUTES
Eveleth City Council Workshop
December 4, 2012
Council Chambers, City Hall, Eveleth, MN
5:00 p.m.

Present: Mayor Vlasisavljevich (around 5:15 p.m.), Councilor Koivunen, Councilor Hadrava, Councilor Hoag, Councilor Peterson

1. Proposed Assisted Living at EHSP

Consultant Dave Salene informed the Council that Architectural Resources would be presenting plans for the proposed Assisted Living at Eveleth Health Services Park.

Mark Wiirtanen, and an ARI representative, gave a presentation on possibilities for the building. The proposed building would be sized at about 200 feet by 60 feet and face Highway 101 with a 40 foot setback. There would be options for a one story, two stories or one and a half story.

Councilor Koivunen asked if the building could be moved back towards the existing nursing home. Wiirtanen said the building could be moved a bit, but if it is moved back too far, the sunlight to the nursing home and the parking lot would be eliminated.

Councilor Peterson reminded Salene that, at one time, the Council had discussed using the clinic space between the library as an Assisted Living Center. Salene said he did not believe the space would be marketable based on input from Elder Care.

Jess Raad, Elder Care Services, reviewed the market summary with the Council. Raad suggested a unit with 20 assisted living rooms would be profitable.

Councilor Hadrava asked how many new jobs would be created by a new Assisted Living Center. Raad estimated six to nine jobs. Hadrava expressed his concern over the number of jobs that would be lost at St. Raphael's Nursing Home.

Dave Salene said the goal is not about robbing from someone else, but looking at the needs of the community. The study indicates there is a need for the services.

Councilor Koivunen said he likes the idea of a new building, but does not want to get back to supporting the nursing home again.

Councilor Peterson said she understood that the assisted living would help to maintain the current nursing home, and asked about the cost of the new building.

Salene said that the figures based on 10 units were off and that a 20 unit model would be financially beneficial. The maintenance of the building would be dependant on the lease.

Jess Raad said in order for a business to be economically viable it must make money to pay for itself. Raad explained that the building would have space for a commercial kitchen; however, the space would not be used as kitchen unless something happened to the nursing home kitchen.

Salene said the development cost of the building is 3.7 million. The IRRRB would grant \$1,150,000 towards the project.

Councilor Hadrava asked if this project would max out the City's debt limits. Salene explained that this would be no different than the Fresenius (dialysis) bond. The bond is fully paid by the lessee; thus, it does not contribute towards the City's debt limit.

Councilor Hadrava speculated that Elder Care could buy the campus and lease the space for the Wellstone Center to Range Mental Health.

Mayor Vlasisavljevich asked that the grant be extended. The Council will have further discussion at another time.

2. Update on Mesabi Woods Apartments

Dave Salene informed the Council that the former Mesabi Woods has been sold. The investors are working with AEOA.

3. Update on Meeting with MNDot regarding Hat Trick Ave./Hwy. 53 intersection

Chief of Police Koivunen reviewed the report from MNDot regarding the Hat Trick Avenue and Highway 53 intersection. Koivunen reminded the Council that MNDot reviewed the intersection at a safety standpoint only. At this point MNDot is looking at installing a semaphore. The Council will be contacting local legislators for further involvement.

4. 2013 Budget, Levy, Discretionary Capital, and Facilities Review

Director of Public Works Wiskow presented the Council with his wish list for public works expenditures.

The original levy was set at six percent. The Council will set the final levy at the January 8th meeting.

5. Discuss old steam lines located under Jones Street

Director Wiskow distributed information to the Council regarding the old steam lines located under Jones Street. Wiskow and Eric Fallstrom (Benchmark Engineering) recommended Option No. 3:

Remove steam mains and services within construction limits. Remove all steam piping, insulation, and brick and mortar structures. Bulkhead all steam mains (4) and services (26) with concrete at construction limits. Remove 28 brick and mortar structures. New sanitary sewer main would remain at most desired location, centerline of Jones Street. The estimated cost for this option would be \$82,200.

Wiskow said they could talk with Minnesota Power, St. Louis County and the IRRRB for possible funding of the project. Fallstrom suggested this should be done now as the City is working through the competitive bid process for the project.

6. Discuss proposed utility rate adjustments

7. Main street holiday decorations

Councilor Hadrava commented on the poor state of the holiday decorations. Hadrava believed the current decorations were around \$20,000 when first purchased.

Director Wiskow gave the figures from a quote received in 2008. Councilor Peterson suggested considering energy efficient lighting.

Holiday decorations will be added to the January 8th workshop agenda.

8. Zoning Administrator Vacancy

The retirement of City Assessor Robert Kivela has created a vacancy for the zoning administrator. Discussion took place on Tony Jeffries, Planning Commission chair, holding the position as an independent contractor. Jeffries would most likely step down from the commission if he takes over as zoning administrator. He would be available January 1st and could contract for six months.

9. Agenda Q&A

Councilor Peterson asked about the parks equipment installation at the West Eveleth Park. The City will pay the installment rather than use City staff.

Regarding J8, Chief of Police Koivunen recommended the Hoags make full payment on their utility account with the City.