

MINUTES
Eveleth City Council Meeting
5:00 p.m., February 15, 2022
Council Chambers, City Hall, Eveleth, MN

A. CALL TO ORDER

Mayor Vlasisavljevich called the meeting to order at 5:00 p.m.

B. ROLL CALL

Councilor Jim Perpich, Present
Councilor John Rauzi, Present
Councilor Brian Lillis, Present
Councilor Joseph Koivunen, Present
Mayor Robert Vlasisavljevich, Present

Also present: City Clerk Administrator Jackie Monahan-Junek; Deputy City Clerk Stephanie Friebe; City Attorney Mitch Brunfelt; Public Works Director Jerry Rosati; Police Chief Jesse Linde; Alan Johnson, Benchmark Engineering

C. APPROVAL OF MINUTES

Motion by Councilor Rauzi, second by Councilor Koivunen to approve the following minutes:

- 1. Minutes of City Council Workshop held February 1, 2022;*
- 2. Minutes of City Council Meeting held February 1, 2022; and*
- 3. Minutes of City Council Workshop held February 9, 2022.*

Ayes – All.

D. APPROVAL OF AGENDA

Motion by Councilor Lillis, second by Councilor Perpich to approve the agenda. Ayes – All.

E. APPOINTMENTS/PRESENTATIONS

1. Commission/Board Application from Carla Moberg for the Park Commission

Motion by Councilor Rauzi, second by Councilor Perpich to reappoint Carla Moberg to the Park Commission for the term effective 2/15/2022 to 1/31/2024. Ayes – All.

2. Commission/Board Application from Ken Larson for the Joint Cable Television Access Board

Motion by Councilor Koivunen, second by Councilor Lillis to reappoint Ken Larsen to the Joint Cable Television Access Board for the term effective 2/15/2022 to 3/1/2025. Ayes – All.

Councilor Lillis thanked both for their service. Councilor Rauzi suggested a letter of thanks be sent to commissioners serving reappointed terms.

F. CONSENT AGENDA

- 1. Approval of Payroll – January 16-31, 2022 in the amount of \$153,195.65**
- 2. Request for firefighters to attend FDIC International, Indianapolis, IN & Fire School, Detroit Lakes, MN**

Motion by Councilor Koivunen, second by Councilor Rauzi to approve the Consent Agenda. Ayes – All.

G. PUBLIC HEARINGS

None.

H. UNFINISHED BUSINESS

None.

I. NEW BUSINESS

- 1. Minnesota Lawful Gambling Premises Permit Application for Eveleth Elks Lodge at Boomtown, 501 Hat Trick Avenue**

Motion by Councilor Perpich, second by Councilor Koivunen to approve Minnesota Lawful Gambling Premises Permit Application for Eveleth Elks Lodge at Boomtown, 501 Hat Trick Avenue, Eveleth, MN. Ayes – All.

- 2. Appointment of Fire Department Officers**

Motion by Councilor Lillis, second by Councilor Koivunen to approve the following Fire Department Officers Appointments: Guy Spurlin, Fire Chief; Cassy Jelen, Captain Training Officer; Tony Menart, Lieutenant Safety Officer

Ayes – All.

3 Authorize staff to submit requests for the 2023 Project Priority List (PPL) for the Cleaning Water Revolving Fund and/or the Drinking Water Revolving Fund

There have been numerous corrosion leaks and breaks on the sanitary sewer force main in West Eveleth. Director Rosati stated that if the Council is interested in pursuing the project, the process to apply for low interest loans needs to be started now.

Motion by Councilor Rauzi, second by Councilor Perpich to authorize staff to submit requests for the 2023 Project Priority List (PPL) for the Cleaning Water Revolving Fund and/or the Drinking Water Revolving Fund. Ayes – All.

4. Proposal from Northeast Technical Services, Inc. to review Ely Lake for zebra mussels

The purpose of the study with NTS would be to determine whether zebra mussels could be transferred from Ely Lake into St. Mary’s Lake during winter periods. The DNR has informed Director Rosati that there may be another way other than going through this study to make the determination. In the event another avenue is not adequate, the Council will approve the proposal from NTS to continue with the process.

Motion by Councilor Perpich, second by Councilor Rauzi to approve the proposal from Northeast Technical Services, Inc. to review Ely Lake for zebra mussels at an estimated cost of \$9,600.00. Ayes – All.

5. Resolution Accepting K-9 Donation

Motion by Councilor Koivunen, second from Councilor Perpich to adopt Resolution No. 2022-06, “Resolution Accepting K9 Donation” and to send a letter of thanks to Bonnie McDowell. Ayes – All.

Bonnie McDowell donated \$100.00 towards the Eveleth Police K9 Unit. McDowell has contributed over the past several years to the K9 Unit.

6. Settlement Agreement and Release of Claims (between the City of Eveleth and Jesse Howe)

Mayor Vlasisavljevich shared his thoughts on a potential settlement with former Police Officer Jesse Howe. Vlasisavljevich said the law (referring to disability pension) is to protect people who do not have insurance; not to be a big payday. Vlasisavljevich said he would rather the City pay the insurance premium.

City Attorney Brunfelt said the City could opt to pay the premium for the entire term of his eligibility. Vlasisavljevich said, “That way you know they are getting the insurance.”

Councilor Lillis said he has given the matter a great deal of consideration. He feels it is in the best interest of the City to settle with Howe. Lillis said a few months ago the Council authorized the City Attorney, City Administrator, and Police Chief to attend mediation to reach a potential settlement agreement with the caveat that the agreement would go back to the Council for approval. Lillis said he knows it is a bitter pill, but believes it is in the City's best interest to reach a settlement for a specified amount.

Mayor Vlasisavljevich said the proposed \$120,000 settlement is about the same amount of the City's levy.

Councilor Perpich questioned if the City decides to accept the settlement, would Howe still have a claim against the City. Attorney Brunfelt pointed out that Howe could still file a workers' compensation claim, but that everything else would be extinguished.

Councilor Koivunen asked how long the City would be required to pay Howe for family insurance coverage. Brunfelt specified that the City would be required to pay for family insurance until Howe reaches 65, or if something were to happen, until he would have reached 65 years of age.

Councilor Rauzi asked Brunfelt if there is a chance to renegotiate the settlement figure. Rauzi said he realized the agreement was reached in good faith, but wondered if there is a possibility to come back to the table.

Attorney Brunfelt said the purpose of the mediation was negotiate a good deal in good faith. He said that there is a chance that something else could be negotiated, but in his opinion it is unlikely. Brunfelt said the City has spent a lot of time and resources to come up with this number.

Mayor Vlasisavljevich said that Howe is currently getting insurance from somewhere. He said Howe is using the law for a cash cow; something it is not intended for.

Councilor Rauzi clarified with Attorney Brunfelt that a potential worker's comp claim would be funded through the City's League of MN Cities Insurance.

Councilor Koivunen echoed that it is a hard pill to swallow.

Mayor Vlasisavljevich said the City levied at 6 percent, "So somebody can get a pile of money." He said, "I don't think you will ever be done with this situation."

Councilor Perpich said we are still going to pay into workers' comp and at this rate it is never going to be done. Councilor Koivunen concurred with Perpich stating even if we give him \$120,000, we still have the potential workers' compensation claim.

Vlasisavljevich said we try to watch what we tax and levy, and what we levied is gone. We levied for nothing.

Motion by Councilor Koivunen, second by Councilor Rauzi to table this item contingent upon the Council making a decision at the next City Council Meeting. (Roll Call Vote: Ayes - Rauzi, Koivunen, Perpich, Vlasisavljevich. Nays - Lillis. Motion carried.)

7. Approval of discretionary expenditures for 2022

Motion by Councilor Lillis, second by Councilor Perpich to approve 2022 Discretionary Expenditures as follows:

| Item | Estimated Cost |
|---|-----------------------|
| <i>Sidewalks (St. Louis County adds \$15,000)</i> | <i>\$30,000</i> |
| <i>Trees – Streets & Parks</i> | <i>\$10,000</i> |
| <i>Auditorium Computer Remote Access</i> | <i>\$5,000</i> |
| <i>New Ambulance & Cot</i> | <i>\$105,000</i> |
| <i>Skid Steer Loader (streets)</i> | <i>\$55,000</i> |
| <i>Hippodrome – replace 2 boilers</i> | <i>\$75,000</i> |
| <i>Fayal Pond Path (South Reroute)</i> | <i>\$31,000</i> |
| <i>Dog Park (install light pole & light)</i> | <i>\$3,000</i> |
| <i>Former Junior High Land Purchase</i> | <i>\$85,000</i> |
| <i>Construct alley on former Junior High land</i> | |
| <i>Police Misc.</i> | <i>\$11,000</i> |
| <i>Total</i> | <i>\$468,500</i> |

Ayes – All.

J. COUNCIL PRESENTATIONS/COMMITTEE REPORTS

Councilor Rauzi reported that the HRA meeting was canceled this month due to a lack of agenda items.

The EDA is moving forward with its banner project. Certain areas in town are the focus for beautification which will mostly include flowers this summer. The EDA will be working in conjunction with the property owners.

Lincoln Place management has addressed some communications issues with some of the residents. Rauzi is hopeful that all matters will be worked out and everyone will be happy in the end.

Councilor Koivunen announced the annual pool tournament taking place this weekend in Eveleth. Koivunen said this event started years ago with only 48 players and has now grown to a one-time high of 168 players one year. The number has been cut down to around 100 due to space issues as a few of the downtown bars have closed over the years. He

encouraged the public to come out and see some of the finest pool shooters travelling to the event from all over the Country and Canada. He said 30 to 40 are semi-pro pool players.

Councilor Perpich reported on the recent Joint Rec Board Meeting. Perpich said the school district's two activity directors along with representatives from Eveleth, Fayal and Gilbert were in attendance. Perpich said there was over two-hours of discussion on the programs and finding the best solutions for the kids involved. The baseball and hockey programs have branched off into clubs. There is talk of pooling the basketball teams together. Tennis and volleyball have not yet been decided. Softball is being worked on for the summer. The Joint Rec Board will be seeking an interim Rec Director to replace Craig Homola when he retires in April. At this point the Joint Power Agreement is still in place and requires a 365-day notice for any of the entities to withdraw.

Mayor Vlasisavljevich discussed the potential of creating an internal position within the City of Eveleth to take care of the scheduling for the Hippodrome. Director Rosati said that a scheduler for the Hippodrome is needed, but at this point an employee would be hired from the Joint Rec Board. Any changes would have to be agreed upon by the Rec Board and the union.

Mayor Vlasisavljevich reported on the recent airport meeting. The Eveleth-Virginia Airport Board will be working on filling the manager position.

Councilor Perpich attended the Mining Caucus hosted by Congressman Pete Stauber which was held in Virginia at the Iron Trail Motors Event Center. Representatives from all over the Country were in attendance including Washington, California, Arkansas, Alabama. The representatives had the opportunity to tour the United States Hockey Hall of Fame Museum and took pictures by the Big Stick in downtown Eveleth. Mining permits were explained to those in attendance. US Steele recently signed a new permit in Arkansas which took only six months to obtain. Mayor Vlasisavljevich said that has not been the case for northern Minnesota. Vlasisavljevich said everyone is trying to be diplomatic, but the well-funded environmental groups in Minnesota do not want anything in this area. He referred to arguments about a pipeline, and said, "See what happens when you depend on foreign suppliers!" Perpich said the meeting was very informational.

K. ADMINISTRATIVE PRESENTATIONS

Alan Johnson, Benchmark Engineering, reported that the Roosevelt project has been bid by the County and Mesabi Bituminous will plan to work in that area all summer long.

L. ADJOURN

The Meeting adjourned at 5:51 p.m.