

**VIRGINIA CITY COUNCIL**

**COUNCIL PROCEEDINGS**

**CITY OF VIRGINIA, MINNESOTA, NOVEMBER 9, 2011**

Regular meeting of the City Council of the City of Virginia, Minnesota, was called to order by Mayor Peterson at 6:30 P.M. in the Council Chambers, City Hall.

Roll Call:

Present: Councillors Cuffe, Littlewolf, Ralston, Baribeau, Sipola, Russo, Mayor Peterson - 7

Absent: None

Mayor Peterson led the Pledge of Allegiance.

Jim Lemoine, resident, addressed safety issues and concerns relating to the construction of the new Menard's building, including traffic accidents, dust control and access from his property onto 17<sup>th</sup> and 18<sup>th</sup> Street South. Mr. Lemoine lives next the property owned by Menard's.

Councillor Baribeau stated 17<sup>th</sup> Street South will be reconstructed in 2012, once the Menard's project is complete.

Mr. Lemoine also reported that Iron Trail Motors continues to unload on 17<sup>th</sup> Street South. City Operations Director Tourville will check on the status of the signage that should have been installed to prevent unloading on the City street.

Mr. Lemoine stated his complaints began in 2002, when 17<sup>th</sup> Street South was changed from a dead end street to a through street.

Councillor Baribeau stated the City is planning to upgrade and widen 12<sup>th</sup> Avenue South in 2012 to install a turn lane onto 17<sup>th</sup> Street South.

Mrs. Sheila Lemoine stated the lack of notification and communication on the construction project is part of their issue. Mrs. Lemoine also stated that Menard's had previously agreed to give them an easement to build a garage, but has not followed through on the agreement.

Councillor Ralston requested that the contractor for the Menard's project be notified to use water with the sweeper to control the dust.

It was agreed that the City Operations Director, Lead Engineer and Councillor Cuffe would meet with Jim Lemoine the next day to address his concerns regarding the Menard's construction project.

Tom Egan, TNC Industries, was present to address his bid for the Fire Hall Vehicle Exhaust Removal System and stated his company has not been treated fairly. Mr. Egan stated he could not meet the first set of bid specifications, which FEMA later determined to be unfair to competition and froze the bids.

Mr. Egan stated the second set of bid specifications were fine and his company was the low bidder for the project. Glenn Patrick was hired as the consulting engineer for the project and determined that the bid from TNC Industries did not meet the bid specifications because an electrician was not listed.

Councillor Baribeau stated it was his understanding that the bid was rejected because it specified a three phase fan motor, instead of a single phase motor, which was required in the bid specification. Mr. Egan responded that the fan number provided in the bid was available in both single and three phases.

Moved by Russo to table the bids for the Fire Hall Vehicle Exhaust Removal System until a meeting is held with the Consulting Engineer and Lead Engineer. Motion died for lack of support.

Discussion was held on the possible loss of FEMA funds if the project does not meet the December 31, 2011, deadline.

Moved by Ralston and supported by Russo to reject all bids. After further discussion, Councillor Ralston withdrew his motion and Councillor Russo withdrew his support.

City Operations Director Tourville stated FEMA has approved an extension for the project. City Operations Director Tourville confirmed that the City received a \$95,000 grant for the project, with a five percent match required by the City.

Moved by Ralston and supported to refer the bids for the Fire Hall Vehicle Exhaust Removal System to the next Finance Committee meeting, with both bidders and the engineering consultant invited to the meeting. Motion carried.

Moved by Russo and supported to approve the Consent Agenda, as follows:

1. Approval/correction of minutes of Regular Meeting held October 25, 2011.
2. Adoption of Finance Resolution No. 11-020 – Schedule of Bills.

Motion carried and Finance Resolution adopted unanimously.

Paul Steinman, Springsted, stated bids were opened at 11:00 A.M. today for the \$2,150,000 General Obligation Grant Anticipation Notes, Series 2011A. The winning bid was provided by Piper Jaffray & Company, with a true interest cost of 1.985%. Mr. Springsted stated Standard and Poor provided a bond rating of A+ negative and suggested that the Finance Committee review the bond rating report and determine a strategy to return to a stable bond rating.

Moved by Baribeau and supported to adopt Resolution No. 11174, awarding the sale of \$2,150,000 General Obligation Grant Anticipation Notes, Series 2011A; fixing their form and specifications; directing their execution and delivery and providing for their payment. Resolution adopted unanimously.

Paul Steinman, Springsted will attend the next Finance Committee meeting to review Standard and Poor's bond rating report for the City of Virginia.

Mayor Peterson explained that the Hospital Commission approved the extension of the contract with Wipfli for an additional sixty days, with a completion date set for December 1, 2011. The Hospital Commission is requesting that the City approve payment for one-half of the additional fee of \$25,000 for Wipfli to continue to provide services for the merger and acquisition process.

Moved by Russo and supported to adopt Resolution No. 11175, accepting the proposal from Wipfli to extend their contract for the merger/acquisition specialist services for the Virginia Regional Medical Center, at a cost not to exceed \$25,000, contingent upon the Virginia Regional Medical Center paying one-half of the fees. Resolution adopted unanimously.

Councillor Sipola reviewed the grant agreement between the Eveleth/Virginia Airport Authority and the Minnesota Department of Transportation for routine airport maintenance and operation.

Moved by Sipola and supported to adopt Resolution No. 11176, authorizing the execution of the grant agreement between the Eveleth/Virginia Airport Authority and the Minnesota Department of Transportation. Resolution adopted unanimously.

Moved by Russo and supported to adopt Resolution No. 11177, canvassing the votes of the General Election held on November 8, 2011, as follows:

- Steve Peterson elected to the office of Mayor for a three year term commencing January 1, 2012;
- Charlie Baribeau, Mike Ralston and Nevada Littlewolf elected to the office of City Councillor for three year terms commencing January 1, 2012.

- Amending Section 3.05 of the City Charter as follows:  
“Provided further, that, for the purpose of this Section, relinquishing management or control of hospital buildings or grounds, ~~or other health care facilities~~, is a sale. *However, business mergers, partnerships, affiliations, sharing of services, leases, or other business relationships common in the management of health care facilities are not considered a sale, but such action requires both an affirmative 2/3 vote of the Hospital Commission and a 2/3 vote of the City Council.*”

Resolution adopted unanimously.

Mayor Peterson reported on the Finance Committee-of-the-Whole meeting held on November 1, 2011.

Moved by Sipola and supported to accept the proposal from Duane Arvola to purchase Lot 7, Block 1, Northern Heights Addition, for the purchase price of \$1.00, contingent upon providing a \$1,000 deposit and meeting the timelines for building in the Northern Heights covenants, or the property and deposit will be forfeited. Motion carried.

Moved by Russo and supported to invite all interested parties to the next Buildings/Grounds Committee to discuss concerns on the sale of more than one Northern Heights lot to the same person, prior to making a decision on the sale of Lots 7 & 8, Block 2, Northern Heights Addition. Motion carried.

Moved by Sipola and supported to adopt Resolution No. 11178, approving revisions to the Development Agreement with P & H Mining Equipment, Inc., d/b/a P & H Minepro Services., for the soils correction and completion of the Butler Creek ditch project. Resolution adopted unanimously.

Moved by Russo and supported to adopt Resolution No. 11179, approving Change Order No. 4 to decrease the contract with Ulland Brothers, Inc., by the amount of \$3,648.00, for the T.H. 135 Utilities Project – Phase II. Resolution adopted unanimously.

Moved by Ralston and supported to adopt Resolution No. 11180, approving Change Order No. 5 to increase the contract with Ulland Brothers, Inc., by the amount of \$13,730.02, for the T.H. 135 Utilities – Phase II Project. Resolution adopted unanimously.

Moved by Baribeau and supported to adopt Resolution No. 11181, approving Final Payment Estimate No. 6 with Ulland Brothers, Inc., in the amount of \$30,146.92, for the T.H. 135 Utilities – Phase II Project. Resolution adopted unanimously.

Moved by Sipola and supported to adopt Resolution No. 11182, approving an increase in the garbage rates by \$1.50 per month, effective January 1, 2012, with the additional revenue designated to fund an annual City-wide cleanup. Resolution adopted unanimously.

Moved by Sipola and supported to invite a representative of the St. Louis County Solid Waste Department to attend a City Council meeting in 2011 to review the garbage and recycling programs to the public, including the advantages/disadvantages of using City garbage bags. Motion carried.

Moved by Sipola and supported to authorize Jason Dickinson, EMS Coordinator, to attend the training on the ambulance billing system on November 14 & 15, 2011, in Wisconsin. Motion carried.

Moved by Russo and supported to adopt Resolution No. 11183, approving the agreement with Short Elliott Hendrickson, Inc., to adjust their fees for professional services for the Virginia Wastewater Treatment Facility Improvement Project. Resolution adopted unanimously.

Moved by Baribeau and supported to adopt Resolution No. 11184, approving the agreement with Short Elliott Hendrickson, Inc., for professional services for the administration of the EDA requirements for the infrastructure improvements for the P & H Minepro Development Project. Resolution adopted unanimously.

Moved by Baribeau and supported to receive and file the request from the City of Cloquet to purchase the City's holiday lighting display. Motion carried.

Moved by Ralston and supported by Baribeau to request the Park/Recreation Director to provide a recommendation on a price to sell the City's holiday lighting display. Motion carried.

Moved by Baribeau and supported to approve the use of volunteer labor to flood the Midway skating rink and request the union to approve the use of volunteers to staff the skating rink. Motion carried.

Councillor Russo reported on the Personnel Committee meeting held on November 1, 2011.

Moved by Russo and supported to adopt Resolution No. 11185, supporting the administrative consolidation of the Virginia Fire Department Relief Association with PERA. Resolution adopted unanimously.

The Fire Chief was requested to submit a job performance review for the Fire Hall Program Assistant after the six month probationary period.

Moved by Russo and supported to remove Krystina Nickila from probationary status for the Engineering Secretary position. Motion carried.

Moved by Russo and supported to remove Jennifer Sereno from probationary status for the Library Clerk position. Motion carried.

The City Operations Director was directed to perform a formal evaluation for all salaried personnel prior to January 1, 2012.

Councillor Russo reported that three grievances from the Law Enforcement Labor Services Union were reviewed and approved at the Personnel Committee level.

Moved by Russo and supported to hold one December City Council meeting on December 13, 2011. Motion carried. Motion carried.

Mayor Peterson stated no applications were received for the Eveleth/Virginia Airport Authority, Housing/Redevelopment Authority or Cable Commission and requested the City Clerk to run an additional advertisement.

Meeting was adjourned at 8:15 P.M., with the next regular City Council meeting to be held at 6:30 P.M. on Tuesday, November 22, 2011.

(CORPORATE SEAL)

STEVE PETERSON  
Mayor

LOIS ROSKOSKI  
City Clerk