

AGENDA
FEBRUARY 23, 2010 – 6:30 P.M.

1. **CALL MEETING TO ORDER**
2. **ROLL CALL**
3. **PLEDGE OF ALLEGIANCE**
4. **PUBLIC HEARING – Wastewater Treatment Plant Facilities Planning Study**
 - A. Open public hearing.
 - B. Consider adoption of resolution to approve the Wastewater Facilities Planning Study.
 - C. Close public hearing.
5. **PUBLIC FORUM (Limited to 5 minutes per Council protocol)**
6. **CONSENT AGENDA** (Note: Motion will be to approve the Consent Agenda as listed.)
The following items will be enacted by one motion unless a Councillor or Citizen of the City of Virginia requests that the item be considered separately:
 - 6.1 Approval/correction of minutes of Regular Meeting held February 9, 2010.
 - 6.2 Adoption of Finance Resolution No. 10-004 – Schedule of Bills.
7. **APPEARANCES (Limited to 10 minutes)**
 - 7.1
8. **UNFINISHED BUSINESS**
 - 8.1 Adopt an Ordinance Amending Chapter 2, Section. 2.37 of the City Code entitled “Park and Recreation Commission”.
9. **DISCUSSION ITEMS**
 - 9.1 Consider Resolution urging legislature to reject the Governor’s supplemental budget cuts to local government aid for 2010.
10. **COMMITTEE REPORTS**
 - 10.1 Finance Committee as a Committee-of-the-Whole (February 16, 2010)
 - A. Accept proposal for land appraisal services for Off-Highway Vehicle Park. (If approved, adopt Resolution.)
 - B. Obtain quotes to replace flooring in Golf Course restaurant and entry way.
 - C. Rescind motion from 2/9/10 City Council meeting regarding funding for Fourth of July fireworks.
 - 10.2 Buildings/Grounds Committee (February 16, 2010)
 - A. Call for proposals for the lease and operation of the greenhouse.
 - B. Blighted property, 100 block, 3rd Street South.
 - C. Request for additional handicapped parking spaces in the Northland parking lot.
 - D. Contact St. Louis County regarding purchase of parking lot.
 - E. Requests to upgrade rental offices in City Hall.
 - F. Automatic fire suppression system – Miners Memorial Building.
 - G. Agreement for Professional Services for the Wastewater Treatment Plant renovations.
 - H. Quote to prepare bid specifications and coordinate removal of hazardous materials for Troy Building. (If approved, adopt Resolution.)

- 10.3 Personnel Committee as a Committee-of-the-Whole (February 16, 2010)
 - A. Hiring process for Police Department.
 - B. Use of volunteers in City facilities.
 - C. Advertise for vacancy on the Airport Zoning Board to represent the City of Virginia.
 - D. Appointment to Hospital Commission for three year term ending February 1, 2013.
 - E. Appointment to Planning/Zoning Commission for three year term ending February 1, 2013.
- 10.4 Personnel Committee as a Committee-of-the-Whole (February 22, 2010)

11. COMMISSION LIAISON/DEPARTMENT HEAD REPORTS

12. ADJOURN TO TUESDAY, MARCH 9, 2010, AT 6:30 P.M., COUNCIL CHAMBERS

4A.

NOTICE OF PUBLIC HEARING

Notice is hereby given that a public hearing will be held in the Council Chambers at the Virginia City Hall (327 1st Street South, Virginia, MN 55792) at 6:30 p.m., Tuesday, February 23, 2010, to afford the opportunity for individuals to be updated and heard on the economic, social and environmental impacts of the location and design of wastewater treatment facility improvements for the City of Virginia. Maps, drawings, cost estimates, estimated user charges, environmental impacts and other pertinent data will be available upon request for public inspection at City Hall.

All persons interested in the design, location and construction of wastewater treatment facility improvements for the City of Virginia are invited to appear and express their views. Written statements may be submitted prior to or at the time of the public hearing.

Comments are encouraged and appreciated and will become a part of the facilities plan for subsequent submission to the Minnesota Pollution Control Agency. For additional information, contact Bill Hennis, Lead Engineer, City of Virginia, at 218-748-7500 or visit the City Hall at the above address.

By Order of the City Council

John Tourville, City Operations Director

COUNCIL CHAMBERS

Resolution No.

City of Virginia, Minnesota, February 23, 2010

Resolution approving the Wastewater Facilities Planning Study

Resolved by the City Council of the City of Virginia, that

WHEREAS, the City had Short Elliott Hendrickson, Inc. (SEH) prepare three documents concerning the City of Virginia Wastewater Treatment Plant – “Facilities Plan” dated November 2008, “Facilities Plan Report Addendum” dated March 2009, and “Facilities Plan Report Addendum No. 2” dated January 2010; and

WHEREAS, the three documents referenced above will herein be referred to as the Wastewater Facilities Planning Study; and

WHEREAS, said Wastewater Facilities Planning Study contains the design basis, cost review, estimated user charges, and environmental impact of wastewater treatment facilities for the City of Virginia; and

WHEREAS, said report was adequately and completely discussed at public hearing held on February 23, 2010,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL THAT the wastewater treatment facility improvements identified in the Wastewater Facilities Planning Study are hereby adopted and approved and SEH, as the Engineer for the City of Virginia Wastewater Treatment Facilities, is hereby authorized to submit the Wastewater Facilities Planning Study to the Minnesota Pollution Control Agency on behalf of the City of Virginia, Minnesota.

Moved by Councillor supported by Councillor that the above resolution be adopted.

Ayes:

Nays:

ORDINANCE NO. ____

An Ordinance Amending CHAPTER 2, SEC. 2.37 of the city code entitled "Park and Recreation Commission"

The City Council of the City of Virginia does ordain as follows:

Section 1.

That, pursuant to the provisions of CHAPTER 2 of the City Code, SEC. 2.37 shall be amended to read as follows:

"SEC. 2.37. PARK AND RECREATION COMMISSION

Subd. 1. Powers and Duties. A Park and Recreation Commission is hereby created to consist of SIX (6) members serving three year terms. It is the duty and responsibility of this Commission to advise the Council on park and recreation issues. The City Council shall assign the Park and Recreation Commission duties to be performed on an as-needed basis."

Section 2.

This ordinance becomes effective upon its passage and publication according to law.

Moved by _____, supported by _____, that the ordinance be adopted.

The President declared the ordinance adopted.

Adopted: _____

Steve Peterson, Mayor

Attest: _____
Lois Roskoski
City Clerk

COUNCIL CHAMBERS

9.1

Resolution No.

City of Virginia, Minnesota, February 23, 2010

Resolution urging legislature to reject the Governor's supplemental budget cuts to local government aid for 2010

Resolved by the City Council of the City of Virginia, that

WHEREAS, the December 2009 State Budget forecast predicts a budget deficit of \$1.2 billion for the current biennium; and

WHEREAS, Governor Pawlenty unallotted scheduled local government aid (LGA) in 2008, 2009 and 2010 to address state budget deficits; and

WHEREAS, these unallotments to the LGA program totaled \$201 million; and

WHEREAS, LGA represents only 2.9% of the state 2010-11 general fund budget, but has accounted for 16% of the Governor's unallotments; and

WHEREAS, these programs are critical to restraining property taxes and providing for essential city services, such as police, fire, snow plowing, libraries, parks, sewer and water infrastructure, and other services that make our community a vital and desirable place to live and work; and

WHEREAS, the City of Virginia has been unallotted state aid, in the amounts of \$339,610 in 2008, \$192,104 in 2009, and \$480,260 in 2010; and

WHEREAS, the 2010 LGA total appropriation will be reduced by over 40% from the certified amount under the Governor Pawlenty's supplemental budget for 2010-2011; and

WHEREAS, the City of Virginia's 2010 LGA would be reduced by \$736,645 under Governor Pawlenty's supplemental budget for 2010-2011,

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Virginia urges the legislature to reject the Governor's supplemental budget LGA cuts for 2010; and

BE IT FURTHER RESOLVED that, upon passage, this resolution shall be forwarded to Governor Tim Pawlenty, Speaker Margaret Anderson Kelliher, House Minority Leader Kurt Zellers, Senate Majority Leader Larry Pogemiller, Senate Minority Leader David Senjem, and to the members of the State Legislature representing our city.

Moved by Councillor supported by Councillor that the above resolution be adopted.

Ayes:

Nays:

FINANCE COMMITTEE AS A COMMITTEE-OF-THE-WHOLE

February 16, 2010 – 9:00 A.M.

Council Chambers, City Hall

10.1

Present: Councillors Cuffe, Baribeau, Sipola, Mayor Peterson

Absent: Councillors Littlewolf, Ralston, Russo—

Also Present: Ed Alto, Public Works Team Coordinator; Bill Hanna, Mesabi Daily News; Mike Appelwick, Northeast Technical Service; Sherry Erickson, Finance/Human Resources Director; Rick Puhek, City Assessor; Bill Hennis, Lead Engineer; Tom Butorac, City Attorney; Lois Roskoski, City Clerk; John Tourville, City Operations Director; SEH Engineering - Mike Larson, Sam Claassen, Jim Johnson; John Bachman, Park/Recreation Director; Dana Waldron, Police Chief; Eric Fallstrom, Benchmark Engineering; Glen Patrick, VEDA President

Finance Director Erickson reviewed the budget vs. actual report as of January 31, 2010, and stated the Governor is proposing an additional unallotment of \$736,000 in local government aid in 2010, which would bring the total lga reduction for 2010 to \$1.2 million. Councillor Sipola stated the enterprise funds have a yearly deficit of approximately \$600,000. Finance Director Erickson stated staff has been working on recouping grant funds from past projects.

City Operations Director Tourville stated a spreadsheet will be developed on the status of the grants for the next Finance Committee meeting.

Councillor Sipola requested that a monthly cash flow projection be prepared for 2010.

Finance Director Erickson reviewed the investments as of January 31, 2010.

Finance Director Erickson stated an additional \$2,000 was received in January from St. Louis from the property taxes for the heating conversion loans. City Attorney Butorac stated he has been working on the delinquent heating conversion loans for the past year.

City Operations Director Tourville reviewed the garbage bag inventory as of January 31, 2010, and stated the inventory for the 13 gallon garbage bags without drawstrings is almost depleted.

Lead Engineer Hennis reviewed the proposal for land appraisal services for the Off-Highway Vehicle Recreation Park. The City has agreed to act as the Lead Agency in the acquisition of the property from RGGs Land & Minerals and to lease the property to the Minnesota Department of Natural Resource for use as an off-highway vehicle park, with the State reimbursing the City for all costs.

A. Moved by Sipola and supported to accept the proposal from Norell on Real Property, in the amount of \$6,500, for land appraisal services for the property intended for use under lease by the Minnesota Department of Natural Resources as an Off-Highway Vehicle Park. Motion carried.

Councillor Ralston entered the meeting at 9:25 A.M.

Park/Recreation Director Bachman requested approval to obtain quotes to replace the carpeting in the Golf Course restaurant and entry way, at an estimated cost between \$5,900 and \$8,700. Councillor Cuffe suggested that a hard surface be considered for the entry way.

B. Moved by Cuffe and supported to authorize the Park/Recreation Director to obtain quotes to replace the flooring in the Golf Course restaurant and entry way. Motion carried.

Police Chief Waldron stated the City Council approved an expenditure of \$7,500 for Fourth of July fireworks from the over funded pension fund, which is not a legitimate expense, per the State Statute 353.665. The expenditures must be used to defray police department expenses if the funds were derived from a police consolidation account. City Attorney Butorac stated the City must notify the State Auditor, by Council Resolution, if the plan is changed. Councillor Baribeau stated the City could use the funds to cover the salaries for on duty police officers during the fireworks display.

Police Chief Waldron stated he spoke with the State Auditor's Office last Tuesday regarding the current investigation of the use of pension funds by the City of Virginia and they are considering it a top priority, but not the highest priority.

Mayor Peterson stated the funds for the fireworks could be taken from the miscellaneous/economic development fund, which has a budget of \$64,000, and recommended that further discussion be held on proceeding with the fireworks in 2010, due to the recent news to further reduce the local government aid.

Councillor Cuffe made the following recommendations: 1) Rescind the original motion to use the pension funds for the fireworks; 2) Review the resolution in place that establishes the use of the pension fund; and 3) Contact the Attorney General's office to obtain a legal opinion on the use of the pension fund and determine the status of the current investigation by the State Auditor.

City Attorney Butorac stated he will contact the State Auditor to get an update on the status of the current investigation.

Police Chief Waldron stated the interest from the pension fund was being utilized to offset costs for retiree medical insurance, but the interest has dropped significantly with the reduction of \$3.4 million from the fund. Police Chief Waldron recommended that the pension fund be utilized to fund the liability for retiree insurance.

Moved by Sipola and supported to rescind the motion made at the February 9, 2010, City Council meeting to utilize \$7,500 from the excess pension fund for the Fourth of July fireworks display for 2010. Motion carried.

The fireworks display for the Fourth of July will be discussed at the next Finance Committee meeting.

Discussion was held on the letter from VEEDA requesting the City Council to rescind the motion to bill VEEDA for services provided by Virginia City staff.

Councillor Cuffe stated VEEDA will be meeting separately with the Virginia and Eveleth City Councils to discuss the history and future of VEEDA.

City Operations Director Tourville stated he will provide a list of critical equipment purchases to the Finance Committee, along with funding recommendations.

Meeting adjourned at 9:55 A.M.

COUNCIL CHAMBERS

10.1 A.

Resolution No.

City of Virginia, Minnesota, February 23, 1010

Resolution accepting proposal from Norell on Real Property for land appraisal services for the Off-Highway Vehicle Park, located within the City of Virginia

Resolved by the City Council of the City of Virginia, that

WHEREAS, the Minnesota State Legislators have authorized the Minnesota Department of Natural Resources (DNR) to construct an Off-Highway Vehicle (OHV) Park within the City of Virginia; and

WHEREAS, an agreement is in place that allows the City of Virginia to act as the purchasing agent for the Minnesota DNR; and

WHEREAS, the Minnesota DNR will reimburse the City of Virginia for all costs associated with the land transaction for the OHV Park; and

WHEREAS, Mr. Chuck Norell, Norell on Real Property, has submitted a proposal, in the amount of \$6,500.00, for land appraisal services for the required 428.4 acres, owned by RGGGS Lands & Minerals,

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to enter into an agreement with Norell on Real Property, in the amount of \$6,500.00, to provide land appraisal services for the 428.4 acres associated with the Minnesota DNR OHV Park.

Moved by Councillor

supported by Councillor

that the above resolution be adopted.

Ayes:

Nays:

10.2

BUILDINGS/GROUNDS COMMITTEE
Tuesday, February 16, 2010 – 10:00 A.M.
Council Chambers, City Hall

Present: Councillors Ralston, Sipola - 2
Absent: Councillor Littlewolf - 1

Also Present: Councillor Cuffe; Mayor Peterson; Bill Hanna, Mesabi Daily News; Dana Waldron, Police Chief; John Bachman, Park/Recreation Director; Mike Appelwick, Northeast Technical Services; SEH Engineering - Jim Johnson, Mike Larson, Sam Claassen; Eric Fallstrom, Benchmark Engineering; Glenn Patrick, VEDA President; Bill Hennis, Lead Engineer; Lois Roskoski, City Clerk; Tom Butorac, City Attorney; John Tourville, City Operations Director; Rick Puhek, City Assessor; Public Works Department – John Aro, Ed Alto

Park/Recreation Director Bachman distributed a copy of the request for proposals for the lease and operation of the greenhouse. Park/Recreation Director Bachman stated the utilities will be prorated on a square footage basis. It was suggested that an out clause and insurance requirements be included in the final contract. The request for proposals will be advertised, with bids due on March 11th, and reviewed by the Buildings/Grounds Committee on March 16th.

A. Moved by Sipola and supported to authorize the Park/Recreation Director to advertise to request proposals for the lease and operation of the greenhouse, with proposals due on March 11, 2010. Motion carried.

Discussion was held on a letter received from William Lewis regarding the blight and safety issues at the property located at 101 3rd Street South. City Attorney Butorac stated the property is scheduled for tax forfeiture in 2011 and he will try to contact the property owners regarding the blight and possible demolition of the building and to keep Mr. Lewis updated on the progress.

B. Moved by Sipola and supported to authorize the City Attorney to notify the owner of the blighted property located at 101 3rd Street South to clean up the blight and safety issues and, if no response is received, direct the Public Works Department to clean up the blight and secure the property and bill the property owner. Motion carried.

Discussion was held on the request from Connie Christenson to consider adding additional handicap parking spaces in the Northland parking lot. Lead Engineer Hennis stated the parking lot generates \$1,600 in monthly revenue, with no payment received for the four handicapped spaces.

Police Chief Waldron stated the City meets the minimum guidelines for handicapped parking spaces and recommended that the request for additional spaces be denied.

C. Moved by Sipola and supported to deny the request for additional handicapped parking spaces in the Northland parking lot, as the City meets the ADA requirements. Motion carried.

D. Moved by Sipola and supported to authorize the City Operations Director to contact St. Louis County to discuss the purchase of the Northland parking lot. Motion carried.

Discussion was held on the letter from the AEOA requesting a new coat of paint in their City Hall rental space and that the condition of the vault and electrical system be reviewed.

E. Moved by Sipola and supported that the requests from the AEOA for upgrades to their rental office space in City Hall be included in the improvement plan for City Hall, as staff and funds become available. Motion carried.

Duane Grace, Building Official, submitted a recommendation to install the automatic fire suppression system in phases at the Miners Memorial Building.

F. Moved by Sipola and supported to receive and file and letter from Duane Grace, Building Official, regarding a plan to install the automatic fire suppression system in phases at the Miners Memorial Building and to authorize the City Operations Director to research possible funding sources. Motion carried.

Sam Claassen stated SEH Engineering was hired in 2008 to provide professional engineering services for the Wastewater Treatment Plant project and it was their understanding that they were hired for the entire project, including construction. Mr. Claassen reviewed an agreement that covers the utilization of the professional services of SEH for the remainder of the project. Mr. Claassen reviewed the history of the project: 1) SEH presented a draft facility plan in November of 2008 and recommended that a new wastewater treatment plant be constructed, at a cost of \$24 million; 2) City Council denied the new construction and SEH prepared Addendum No. 1 to rehab the existing facility, at a cost of \$18.5. 3) Once the City of Gilbert withdrew from the project, Addendum No. 2 was prepared and the cost estimate was reduced to \$14.3 million. Mr. Claassen stated a scope and fee would be authorized by the City of Virginia, prior to the approval of each phase of the project. SEH intends to continue to work with Northeast Technical Service on the project.

Mike Appelwick, Northeast Technical Services, recommended having a mechanism in place to control the cost of the project.

It was suggested that the City Operations Director, Lead Engineer and Mike Appelwick meet with SEH Engineering to discuss cost controls for the upgrade of the Wastewater Treatment Plant, prior to approving the agreement with SEH for professional services. The meeting will be held prior to the public hearing on the Wastewater Treatment Plant Facilities Plan, which is scheduled for February 23rd.

G. Moved by Sipola and supported to table the Agreement for Professional Services for the Wastewater Treatment Plant renovations, until a recommendation is received from City staff. Motion carried.

Lead Engineer Hennis reviewed a quote from Northeast Technical Service, in the amount of \$5,355, to prepare bid specifications for the demolition of the Troy Building and coordinate the removal of the hazardous materials. City Operations Director stated the City has received grants to cover the demolition of the Troy building. Lead Engineer Hennis stated the City has received title to the property will not be allowing anyone in the building, without City Council approval.

H. Moved by Sipola and supported to accept quote from Northeast Technical Service, in the amount of \$5,355, to prepare bid specifications for the demolition of the Troy Building and to coordinate the removal of the hazardous materials within the building. Motion carried.

Lead Engineer Hennis stated the City has received the hazard waste report for the Seppi North site and funding has been secured for demolition. Proposals will be obtained for demolition of the buildings and to crush the concrete material that is on-site for review at a future meeting.

Lead Engineer Hennis stated the majority of the earth work has been completed on the project located north of the golf course. The City is waiting for additional funding to install the infrastructure.

Meeting adjourned at 10:50 AM.

10.2H.

COUNCIL CHAMBERS

Resolution No.

City of Virginia, Minnesota, February 23, 2010

Resolution accepting quote from Northeast Technical Service to prepare bid specifications for the demolition of the Troy Building and coordinate removal of hazardous materials within the building

Resolved by the City Council of the City of Virginia, that

WHEREAS, the Engineering Department received a quote from Northeast Technical Service, in the amount of \$5,355.00, to prepare bid specifications for the demolition of the Troy Building and to coordinate the removal of the hazardous materials within the building with the selected contractor; and

WHEREAS, the Engineering Department recommended accepting the quote from Northeast Technical Service,

NOW, THEREFORE, BE IT RESOLVED that the Mayor and City Clerk are authorized to enter into agreement with Northeast Technical Service to prepare bid specifications for the demolition of the Troy Building and coordinate removal of hazardous materials within the building.

Moved by Councillor supported by Councillor that the above resolution be adopted.

Ayes:

Nays:

PERSONNEL COMMITTEE AS A COMMITTEE-OF-THE-WHOLE

10.3

Tuesday, February 16, 2009 – 10:50 A.M.

Council Chambers, City Hall

Present: Councillors Cuffe, Ralston, Baribeau, Sipola, Mayor Peterson – 5
Absent: Councillors Russo, Littlewolf - 2

Also Present: John Tourville, City Operations Director; Bill Hennis, Lead Engineer; Tom Butorac, City Attorney; Sherry Erickson, Finance/Human Resources Director; John Bachman, Park/Recreation Director; John Aro, AFSCME President; Bill Hanna, Mesabi Daily News; Lois Roskoski, City Clerk

Councillor Cuffe called the meeting to order at 10:50 A.M.

Police Chief Waldron reviewed his memo dated January 7, 2010, to initiate the hiring process, due to the early retirement of a police officer.

Mayor Peterson stated the purpose of the early retirement plan was to reduce staff. Police Chief Waldron was not aware that the public safety staffing would be affected by the early retirement plan.

Mayor Peterson recommended that the City Council meet with each department head individually to review the budget, due to the news regarding the proposed reduction in local government aid, and to hold off on the replacement of the police officer until that point.

A. Moved by Peterson and supported to table the request to initiate the hiring process for the Police Department, until the City Council meets with each department head to review their 2010 budget. Motion carried.

B. Moved by Baribeau and supported to table the use of volunteers in City facilities until the next Personnel Committee meeting. Motion carried.

Councillor Sipola reviewed the history of the Airport Zoning Board and stated a vacancy from the City of Virginia currently exists on the board. Councillor Sipola stated that the Eveleth Council liaison to the Airport Authority also serves on the Airport Zoning Board. Councillor Sipola stated that the Virginia City Council previously appointed City Councillors to the Airport Zoning Board. It was noted that the City of Virginia advertised for the vacancy on the Airport Zoning Board in 2008.

C. Moved by Peterson and supported to advertise for the vacancy on the Airport Zoning Board to represent the City of Virginia. Motion carried.

The committee interviewed applicants for the Hospital Commission, Planning and Zoning Commission and Eveleth/Virginia Airport Authority and recommended the following appointments:

D. • Appointment of Kathleen Martz to the Hospital Commission for a three year term ending February 1, 2013.

E. • Appointment to William Bruemmer to the Planning/Zoning Commission for a three year term ending February 1, 2013.

Meeting adjourned at 1:00 P.M.