

**COUNCIL PROCEEDINGS
CITY OF VIRGINIA, MINNESOTA, JANUARY 10, 2012**

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.

Moved by Councillor Ralston removed Item 2B from the Consent Agenda.

Moved by Russo and supported by Baribeau to approve the Consent Agenda, as follows, with the exception of Item 2B:

1. Approval/correction of minutes:
 - A. Regular Meeting held December 13, 2011
 - B. Special Joint City Council/Hospital Commission held December 6, 2011.
 - C. Reorganization Meeting held January 3, 2012.
 2. Adoption of Finance Resolution No. 012-001 – Schedule of Bills:
 - A. Report dates: 12/20/2011 – 12/28/2011.
 - B. Report dates: 12/31/2011 – 1/6/2012.
 3. Adopt Resolution No. 12026, designating depositories for 2012.
 4. Adopt Resolution No. 12027, authorizing amendment to Lease No. 13306 with RGGGS Land & Minerals, Ltd., for signboards
 5. Approve 2012 Massage License for Steve LaPatka, d/b/a Mesabi Therapeutic Massage.
- Motions carried and Resolutions adopted unanimously.

Moved by Russo and supported by Baribeau to approve Item 2B, Finance Resolution No. 012-001 –Schedule of Bills, Report Dates 12/31/2011 – 1/6/2012. Resolution adopted, with Councillor Ralston abstaining.

Moved by Ralston and supported by Baribeau to adopt Resolution No. 12028, approving the vacation of City owned property for the development of the Menards Plat in the area of 18th Street South/15th Avenue West, as revised. Resolution adopted unanimously.

Moved by Ralston and supported by Cuffe to adopt Resolution No. 12029, approving the vacation of City owned property for the development of the Menards Plat in the area of 14th Avenue West, as revised. Resolution adopted unanimously.

Moved by Baribeau and supported by Cuffe to adopt Resolution No. 12030, approving the vacation of City owned property for the development of the Menards Plat for the area of 18th Street South, as revised. Resolution adopted unanimously.

Mayor Peterson reviewed the letter from the Virginia Hospital Commission requesting the City Council to identify the appropriate channel to obtain City input for the drafting of the lease and definitive agreements with Essentia Health.

Councillor Russo suggested that different City Councillors be involved in the various work groups, based on their skill level. Councillor Littlewolf expressed concern that the flow chart does not show how the City Council would be involved in the process. Mayor Peterson agreed that the City Council was isolated on the flow chart and expressed concern that the VRMC senior management would be doing the negotiating, with the Hospital Commission and City Council given the information after the fact. Mayor Peterson stated the City should be represented from the onset of the negotiations.

Councillor Baribeau recommended that the City Operations Director be the lead person for the City and reminded the Council that any agreements must be approved by both the Hospital Commission and City Council with a two-thirds vote. Councillor Sipola stated the City Councillors could attend any session, as the meetings will be open and posted in advance. Councillor Ralston

recommended that the City Attorney and City Operations Director be involved in the negotiation process. Councillor Cuffe recommended that a City Councillor be chosen to be a part of the negotiation committee.

Mayor Peterson suggested that the City Council digest the information and discuss the City Council's role regarding the negotiations with Essentia Health at a future Finance Committee meeting. Councillor Russo suggested that discussions also be held with the City's bond counsel and financial advisor. Councillor Baribeau stated Wipfli has done mergers and acquisitions with other public entities and recommended that they be asked to meet with the City Council to discuss the process.

Moved by Littlewolf and supported by Russo to table the letter from the Virginia Hospital Commission regarding the process with Essentia Health until the next Finance Committee meeting. Motion carried.

Mayor Peterson reviewed the request from the Hospital Commission for the City to fund one-half of the monthly fees with Wipfli to develop and negotiate an affiliation model with Essentia Health, at a total cost not to exceed \$12,000 per month. The process is anticipated to take six to nine months.

Moved by Russo and supported by Baribeau to approve the City funding one-half of the fees for Wipfli to develop and negotiate an affiliation model with Essentia Health and to invoice the Hospital.

Finance Director Erickson stated funds were not included in the 2012 budget for this item. Councillor Sipola stated this is the next logical phase and felt is a necessary expense for doing business, with less risk to the taxpayer.

Councillor Baribeau stated the expense with Wipfli is necessary, as they are familiar with the process and the City does not have the expertise. Councillor Baribeau also stated future legal expenses must still be considered. Mayor Peterson stated he cannot support this request, as he is not comfortable with the proposal with Essentia. Councillor Cuffe stated it is important to continue with Wipfli, but questioned why the City has to pay for one half of the expenses. Councillor Littlewolf stated the Hospital should take on the financial responsibility with Wipfli if this is a priority and the City may consider assisting with legal fees in the future. Councillor Russo recommended that the issue be delayed, with the City's concerns addressed at tomorrow's Hospital Commission meeting. Mayor Peterson also stated the hospital has a \$720,000 line of credit to draw from. Councillor Ralston recommended that the hospital use their line of credit until it is drawn down before requesting the City for additional funds.

Moved by Russo and supported by Cuffe to table the request from the Virginia Hospital Commission to fund one half of the fees for Wipfli to develop and negotiate an affiliation model with Essentia Health and to address the City's concerns at the Hospital Commission meeting to be held on January 11, 2012. Motion carried.

The City Council reviewed the proposals for designation of the Official Newspaper for the year 2012.

Moved by Ralston and supported by Cuffe to adopt Resolution No. 12031, designating the Mesabi Daily News as the official newspaper for 2012. Resolution adopted unanimously.

Moved by Russo and supported by Sipola to adopt Resolution No. 12032, approving a Memorandum of Understanding with MAPE City Supervisors Association regarding insurance premiums. Resolution adopted unanimously.

Moved by Russo and supported by Sipola to adopt Resolution No. 12033, approving the Memorandum of Understanding with LELS #195 regarding scheduling authority. Resolution adopted unanimously.

Moved by Cuffe and supported by Baribeau to place an Ordinance Amending Chapter 5, Section 5.41 of the City Code entitled “Alcoholic Beverages Licensing and Regulations – Sunday Sales” on the Council desks.

Ayes: Councillors Cuffe, Littlewolf, Ralston, Baribeau, Sipola, Russo – 6

Nays: Mayor Peterson - 1

Motion carried.

Moved by Russo and supported by Sipola to adopt Resolution No. 12034, instructing the District Judge to appoint William Claviter to the Virginia Charter Commission. Resolution adopted unanimously.

Moved by Sipola and supported by Littlewolf to authorize the City Council to attend the Range Association of Municipalities and School annual dinner meeting on February 2, 2012, in Hibbing. Motion carried.

Moved by Ralston and supported by Cuffe to approve a Secondhand Goods Dealers License for Consigning Women for the year 2012. Motion carried.

Councillor Littlewolf reviewed the events scheduled at the Library for the months of January and February.

Councillor Cuffe stated the status of the Veteran's Memorial still needs to be addressed and a letter has been drafted, which will be hand carried or delivered by certified mail.

Mayor Peterson reported on the following items:

- City received an insurance dividend check of \$44,591 from the League of Minnesota Cities.
- Thanked the Northern State Bank for purchasing a holiday ornament in honor of the City of Virginia for the Virginia Foundation "Giving Tree".
- Received a letter from the Northland News Center regarding the Women in Leadership Award.

Moved by Ralston and supported by Baribeau to nominate Nevada Littlewolf for the Northland News Center's "Women in Leadership Award". Motion carried.

Meeting was adjourned at 7:38 P.M., with the next regular City Council meeting to be held at 6:30 P.M. on Tuesday, January 24, 2012.

(CORPORATE SEAL)

STEVE PETERSON
Mayor

LOIS ROSKOSKI
City Clerk