

COUNCIL PROCEEDINGS

CITY OF VIRGINIA, MINNESOTA, FEBRUARY 23, 2010

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

Also Present: William Bruemmer, Kathleen Krog, Dale Krog, Jim Johnson, Kathleen Martz, Mike Appelwick, Rod Flannigan, Tom Butorac, Sherry Erickson, John Tourville, Lois Roskoski

Moved by Russo and supported to open the public hearing to review the Wastewater Treatment Plant Facilities Planning Study. Motion carried.

Sam Claassen, Short Elliott Hendrickson, Inc., stated the Facilities Plan reviewed the historical plant data, established future flows and loads, evaluated the existing facility's ability to meet effluent limits, evaluated alternatives and developed a budget and estimated cost for the improvements to the plant.

Mr. Claassen stated the Wastewater Treatment Plant was originally constructed in 1914, with an expansion done in 1950 and the conversion to the existing system in 1975. The plant has been upgraded in 1985, 1987 and 1994 and been successful and efficient for 96 years. The original Facilities Plan was developed in November of 2008 and included a recommendation to build a new Wastewater Treatment Plant, at a cost of \$24.2 million. Addendum No. 1 of the Facilities Plan was completed in March of 2009 and included a recommendation to renovate the existing Wastewater Treatment, at a cost of \$18.3 million. Addendum No. 2 was completed in January of 2010, with a recommendation to remove the City of Gilbert from the project and included a higher phosphorous level, at an estimated cost of \$14.3 million.

Mr. Claassen stated the needs of the facility are driven by the age of the facility, stabilization of the population and change in regulatory requirements. During the study, each major piece of equipment was analyzed, with the mechanical repair or replacement of the equipment noted.

Mr. Claassen stated the population has stabilized since 1990. Regulatory requirements are continually changing and currently focusing on mercury and chlorine residual. In order to achieve compliance, mercury removal by chemicals and filtering must be achieved by December 30, 2014. De-chlorination by chemical additive must be achieved by January 15, 2013, in order to be compliant with regulations. Additional testing is being recommended for mercury removal.

Mr. Claassen stated the annual cost to operate and maintain the Wastewater Treatment Plant is estimated at \$678,000. Springsted, the City's financial advisor, had reviewed the sewer billings and noted the sewer bills averaged \$19.70 in 2009. Springsted proposed increasing the sewer fees to \$28.57/month in 2010, \$35.71/month in 2011 and \$37.49/month for the years 2012-2028. Mr. Claassen noted the State average sewer billing rate was \$45.00 per month.

Mr. Claassen stated after the public hearing is held and comments are obtained from the public, the City Council will consider approving the Facilities Plan. If approved, the Facilities Plan would be submitted to the Minnesota Pollution Control Agency for review. Once the plan is approved by the MPCA, the search for funding and the preliminary design process can begin.

Mayor Peterson stated the size of the Wastewater Treatment Plant is based on a population of 9,000 and asked if there is capacity for new growth, including the retail sector. Mr. Claassen replied that there is some capacity for new growth and basic retail is not a factor, as they are not considered as high water use customers.

Mayor Peterson questioned the chemicals that would be used to remove the mercury and chlorine. Mr. Claassen replied that alternatives and costs regarding the environmental impact are being discussed, including a test project to use ultra violet light, instead of a chemical, to remove the mercury.

Mayor Peterson expressed concern over the increase in sewer rates and asked what the City could do to offset the increases. Mr. Claassen stated grant assistance would reduce the cost of the improvements. Councillor Russo stated the increase in the monthly sewer rates would depend on the amount of grants that are received.

Councillor Ralston recommended that the report prepared by Springsted be reviewed to determine what data was used to set the sewer rates. Councillor Ralston recommended that the project move forward as soon as possible, due to the competitive construction costs at the current time.

Councillor Littlewolf noted the higher standards are due to Virginia being in the Lake Superior Basin and questioned if there are additional health issues by using sulfur dioxide or chlorine. Mr. Claassen stated the City is currently using chlorine at the water plant and the project would not affect the drinking water. Mr. Claassen also stated that a change in the population could affect the increase or decrease of the sewer rates.

Councillor Cuffe asked if the staffing levels would remain the same. Mike Appelwick, Northeast Technical Service, replied that the staffing levels would remain approximately the same.

Councillor Baribeau stated the removal of the mercury would be the last phase of the project and stated we are waiting for the technology of the mercury removal.

Councillor Sipola stated the Springsted report projects an increase in sewer rates in 2010 and questioned if the rates should be increased now, or when the construction begins. Mr. Claassen suggested that the rates be increased incrementally, to avoid a large increase at one time.

Mr. Appelwick noted that the labor costs for the Wastewater Treatment Plant appeared high in the Facilities Plan.

Kathleen Krog, resident, questioned if the City currently meets the standards for the Wastewater Treatment Plan. Mr. Claassen stated the City currently meets the standards, but do not meet the mercury and chlorine standards that will be required in the future.

Mr. Claassen recommended the acceptance of the Facilities Plan to repair and expand the existing Wastewater Treatment Plant.

Moved by Cuffe and supported to close the public hearing. Motion carried.

Moved by Sipola and supported to adopt Resolution No. 10039, approving the Wastewater Treatment Plant Facilities Plan. Resolution adopted unanimously.

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

1. Approval/correction of minutes of Regular Meeting held February 9, 2010.
2. Adoption of Finance Resolution No. 10-004 – Schedule of Bills.

Motion carried and Finance Resolution adopted unanimously.

Moved by Russo and supported to adopt an Ordinance Amending Chapter 2, Section. 2.37 of the City Code entitled “Park and Recreation Commission”. Ordinance adopted unanimously.

Moved by Littlewolf and supported to adopt Resolution No. 10040, urging the legislature to reject the Governor’s supplemental budget cuts to local government aid for 2010. Resolution adopted unanimously.

Mayor Peterson reported on the Finance Committee meeting held as a Committee-of-the-Whole on February 16, 2010.

Moved by Sipola and supported to adopt Resolution No. 10041, accepting the proposal from Norrell on Real Property, in the amount of \$6,500, for land appraisal services for the Off-Highway Vehicle Park, located within the City of Virginia. Resolution adopted unanimously.

Moved by Baribeau and supported to authorize the Park and Recreation Director to obtain quotes to replace the flooring in the Golf Course restaurant and entryway. Motion carried.

Moved to 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.

Councillor Cuffe stated a Committee-of-the-Whole meeting will be scheduled on March 16, 2010, to meet with the Virginia/Eveleth Economic Development Authority to discuss the history and future of VEEDA.

Councillor Ralston reported on the Buildings/Grounds Committee meeting held on February 16, 2010.

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

Moved by Ralston 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, if no response is received, direct the Public Works Department to clean and secure the property and bill the property owner. Motion carried.

City Operations Director stated Steve Griesert will be attending Virginia Economic Development Authority meeting on March 4, 2010, to discuss funding for a housing redevelopment program.

Moved by Ralston 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.

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

Moved by Ralston and supported to include the requests from the Arrowhead Economic Opportunity Agency for upgrades to their rental office space in City Hall in the improvement plan for City Hall, as staff and funds become available. Motion carried.

Moved by Ralston and supported to receive and file the 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.

Moved by Ralston and supported to table the agreement with Short, Elliott, Hendrickson Engineering, Inc., for professional services for the Wastewater Treatment Plant renovations, until a recommendation is received from City staff. Motion carried.

Moved by Ralston and supported to adopt Resolution No. 10042, accepting the quote from Northeast Technical Service, in the amount of \$5,355.00, to prepare bid specifications for the demolition of the Troy Building and coordinate removal of hazardous materials within the building. Resolution adopted unanimously.

Councillor Cuffe reported on the Personnel Committee meeting held as a Committee-of-the-Whole on February 16, 2010.

Moved by Cuffe 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 the 2010 budget. Motion carried.

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

Moved by Cuffe and supported to advertise for the vacancy on the Eveleth/Virginia Joint Airport Zoning Board to represent the City of Virginia. Motion carried.

Moved by Cuffe and supported to appoint of William Bruemmer to Planning/Zoning Commission for a three year term ending February 1, 2013. Motion carried.

Moved by Cuffe and supported to table the appointment of Kathleen Martz to the Hospital Commission until a determination is made on a possible conflict of interest. Motion carried.

Councillor Russo reported on the Personnel Committee meeting held as a Committee-of-the-Whole on February 22, 2010, and stated a negotiation session will be scheduled with AFSCME Local No. 454 to discuss and settle the grievance regarding the payment of the VEBA insurance deductible.

Councillor Russo stated the Parking Meter Monitor has submitted his resignation and City staff will provide a recommendation on the position at a future Personnel Committee meeting.

Moved by Russo and supported to adopt Resolution No. 10043, approving contract with Minnesota Association of Professional Employees (MAPE) representing the City Supervisory Employees for the period January 1, 2009 through December 31, 2010. Resolution adopted unanimously.

Councillor Russo stated a tentative agreement has been reached with the Police Union.

Councillor Baribeau reported on the Central Iron Range Initiative meeting and stated he will work with Northeast Technical Service to develop a list of potential areas to be considered for Brownsfield grant funding, which will be reviewed by the Buildings/Grounds Committee.

Councillor Russo gave a report on the Joint Hospital/Council Sub-Committee and stated the medical staff identified several areas of need. Med Assets also gave a presentation on the

improvement of the collection of revenue by the Virginia Regional Medical Center. Councillor Russo also stated Christine Springhetti and Robert Lore were selected to serve on the Sub-Committee.

Councillor Littlewolf reported on the Public Utilities Commission meeting and stated the cost sharing structure for the City Attorney's services was tabled.

Councillor Littlewolf reported on the Library Commission meeting and stated the 2010 Brown Bag Lunch Discussion will be held at the Library as follows: February 25th – How to Live a Brain Healthy Lifestyle; March 11th – Book Lover's Tea; March 25th – Introduction to Fly Fishing and Tying.

Councillor Sipola stated he assisted in the safety tour of the Miners Memorial Building and commended the employees for passing the inspection with no safety violations.

City Operations Director Tourville stated he attended the 2010 Legislative Action Day, along with Councillors Littlewolf and Cuffe, and encouraged the local legislators to reject the additional local government aid reductions that have been proposed.

City Clerk Roskoski stated applications will be accepted for the vacancy on the Eveleth/Virginia Airport Joint Zoning Board until 4:30 P.M. on Friday, March 19, 2010.

Mayor Peterson requested permission to authorize the Park/Recreation Director to proceed with a tentative proposal for a greenskeeper at the Golf Course. Discussions have been held with the current Golf Course Pro to expand his contract to increase his labor pool by one greenskeeper, two assistants and five laborers, at an estimated cost of \$84,000. City Operations Director Tourville

stated a tentative agreement has been reached with the Golf Course Pro for the additional responsibilities.

Moved by Russo and supported to authorize the Park/Recreation Director to proceed with a tentative proposal for a greenskeeper for the Golf Course. Motion carried.

Mayor Peterson received a letter from the Dream Machines Car Club regarding the car show, to be held on August 20 and 21, 2010, and stated they are requesting that the City Council approve the same items as the previous year.

Moved by Russo and supported to approve the requests from the Dream Machines Car Club for the car show to be held August 20 and 21, 2010, as follows:

- 1) Place barricades along Chestnut Street, excluding fire avenues. Non-emergency avenues to be barricaded up to the alleys to allow for location of vendors and additional participants.
- 2) Post "No Parking" signage along Chestnut Street and the avenues, up to the alleys, 24 hours prior to 6 AM.
- 3) Place trash dumpsters along Chestnut Street on Friday, August 20th (four dumpsters per block).
- 4) Post "Zero Tolerance for Alcohol and Traffic Violations" signs along Chestnut Street for cruise night on August 20th.
- 5) Place picnic tables and benches from Olcott Park along Tini Square building on Third Avenue for use on Saturday.
- 6) Prorate vendor permits at \$75.00 and waive bonding requirement.
- 7) Allow use of downtown public address system. Confirm prior to the event that the system is in operational order. Allow use of one 110 volt electrical outlet for use by WEVE radio during Friday night and Saturday

Motion carried.

Mayor Peterson stated he and Councillor Russo had the pleasure of attending Norma Benkusky's 102nd birthday celebration today.

See 2010 Resolution Book for Resolution Nos. 10039 – 10043 and Finance Resolution No. 10-004.

Meeting was adjourned at 7:45 P.M., with the next regular City Council Meeting to be held at 6:30 P.M. on Tuesday, March 9, 2010.

(CORPORATE SEAL)

STEVE PETERSON
Mayor

LOIS ROSKOSKI
City Clerk