

**VIRGINIA CITY COUNCIL  
AGENDA  
APRIL 23, 2013 – 6:30 P.M.**

**1. CALL MEETING TO ORDER**

**2. ROLL CALL**

**3. PLEDGE OF ALLEGIANCE**

**4. PUBLIC FORUM (Limited to 5 minutes per Council protocol)**

**5. 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:

5.1 Approval/correction of minutes of Regular Meeting held April 9, 2013.

5.2 Adoption of Finance Resolution No. 13-008 – Schedule of Bills.

5.3 Approval of renewal Application for Optional 2 AM Liquor for Martini, Inc., d/b/a Tommy's Rainy Lake Saloon and Deli, 207 Chestnut Street.

5.4 Approval of On-Sale Wine License for Aszendrops, LLC, d/b/a The Shop, 235 Chestnut Street.

5.5 Adopt Resolution approving Abatement Agreement between the City of Virginia and St. Louis County regarding P & H Mining Equipment, Inc., d/b/a P & H Minepro Services.

**6. APPEARANCES (Limited to 10 minutes)**

6.1 Mark Erickson regarding conveyance of property for proposed dental clinic.

**7. UNFINISHED BUSINESS**

7.1 Conveyance of property to Mylan and Mabel, LLC, for the development of a dental clinic. (If approved, adopt Resolution.)

a. Communication from John Bachman, Park/Recreation Director, submitting recommendation from the Park/Recreation Commission.

**8. DISCUSSION ITEMS**

8.1 Eveleth-Virginia Airport:

a. Vacation of South Airport Drive. (If approved, adopt Resolution.)

b. Disadvantaged Business Enterprise Program. (If approved, adopt Resolution.)

8.2 Communication from Anthony Sacchetti submitting resignation from the Park/Recreation Commission, effective June 1, 2013.

8.3 Communication from Jonathan Benz, DARE Officer, requesting permission to use the City owned land located on the north and south sides of the 600-700 blocks of 4<sup>th</sup> Street North for public parking during the Land of the Loon Festival on June 15 and 16, 2013.

**9. COMMITTEE REPORTS**

**9.1 Finance Committee-of-the-Whole (April 16, 2013)**

- a. Travel request, Rick Puhek and Cheryl Weappa, City Assessor's Office, MAAO Summer Seminar, May 21-23, 2013, St. Cloud, MN.
- b. Extension of contract with Paul Checco for management of the Golf Course Restaurant. (If approved, adopt Resolution.)
- c. Proposal to furnish bituminous cold mix for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- d. Proposal to furnish crushed rock salt for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- e. Proposal to furnish ferric chloride for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- f. Proposal to furnish gravel-class 5 Aggregate for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- g. Proposal to furnish granular materials for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- h. Proposal to furnish assorted bolts and other fittings for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- i. Proposal to furnish lubricants and fluids for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- j. Proposal to furnish asphaltic concrete surface maintenance services for the year beginning May 1, 2013. (If approved, adopt Resolution.)
- k. Memorandum of Understanding with Essentia Health regarding providing health care services to low income population.
- l. Ambulance Intercept Agreement with Ely Ambulance Service. (If approved, adopt Resolution.)
- m. Mutual Aid Agreement with Ely Ambulance Service. (If approved, adopt Resolution.)

**9.2 Personnel Committee (April 23, 2013)**

**9.3 Finance Committee-of-the-Whole (April 23, 2013)**

- a. Fire Department Study.
- b. Extension of Cooperative Fire Protection Agreement with U.S. Department of Agriculture, Forest Service, Superior National Forest. (If approved, adopt Resolution.)
- c. Transfer to Tax Increment Financing Debt Service Fund for the year ending 12/31/12. (If approved, adopt Resolution.)
- d. Transfer to Deficit Special Revenue, Capital Projects Fund Balances and General Fund Balances, for the year ending 12/31/12. (If approved, adopt Resolution.)
- e. Temporary job description.

**10. COMMISSION LIAISON/DEPARTMENT HEAD REPORTS**

**11. ADJOURN TO TUESDAY, MAY 14, 2013, AT 6:30 P.M., COUNCIL CHAMBERS**

9.2

**PERSONNEL COMMITTEE**  
**Tuesday, April 18, 2013 - 9:00 A.M**  
**Council Chambers, City Hall**

Present: Councillors Cuffe, Baribeau, Mayor Russo - 3  
Absent: None

Also Present: Councillor Baranzelli; Dennis Benz, Police Chief; Dan L'Allier, Fire Chief; John Tourville, City Operations Director; Lois Roskoski, City Clerk; Sherry Erickson, Finance/HR Director

Councillor Cuffe called the meeting to order at 9:13 A.M.

Councillor Cuffe stated a grievance, submitted by the Firefighters Union, was denied at the Step 3 level and will be proceeding to the next step, which is mediation.

Councillor Cuffe stated concern has been expressed about performance evaluations for City employees and suggested that the Personnel Committee review the process that is currently in place.

Finance/HR Director stated there are four unions in the City and each union contract outlines a discipline/grievance procedure. Every new hire has a probationary period and Finance Director Erickson reminds the department heads to perform an evaluation on the new hire, prior to the expiration of the probation period. Any issues that develop after the probationary period are dealt with through the contract language and include the employee, department head, City Operations Director and union representative.

Police Chief Benz explained the evaluation process that is used in the Police Department. Each new police officer must complete a twelve week Field Training Officer Program and meet certain criteria and the Police Chief is involved when there are issues to review regarding the new officer. For the officers that have passed the probationary period, each lieutenant performs an evaluation for each member of their crew and turns in the information to the Police Chief. The employee signs off on the evaluation and the Police Chief will meet with the employee, if necessary. The Police Chief performs the evaluations for the lieutenants.

Mayor Russo stated the Personnel Committee performs the evaluations for the City Operations Director, Finance/Human Resources Director and City Attorney. Otherwise, the Personnel Committee would only be involved through the discipline/grievance procedure or in reviewing job descriptions.

Finance/HR Director Erickson expressed concern with performing employee evaluations on an annual basis and recommending using the discipline/grievance procedure as outlined in the union contracts when issues arise.

Councillor Cuffe suggested that each City Councillor review the current policy for the performance evaluations.

Finance/HR Director Erickson noted Officer Estey is the Drug Recognition Expert and gets involved when there are drug related issues.

Councillor Cuffe stated he met with the Library Commissioners on April 15<sup>th</sup> and noted all councillors will be invited to discuss issues regarding the Library. The Library Commission felt the Library may have to reduce hours because of the current staffing levels. The Library is currently open from 10 A.M. until 6 P.M., Monday through Thursday, and from 10 A.M. until 5 P.M. on Friday. Staff staggers their work day by starting at either 8 A.M. or 9 A.M., with the Library open to the public beginning at 10 A.M.

Councillor Baribeau stated the Library should be open until 7 P.M. on weekdays and four hours on Saturday.

Finance/HR Director Erickson was directed to obtain information on staffing from the libraries in Grand Rapids, Hibbing and Cloquet.

Discussion was held on the request from the Friends of the Library to hold a fundraiser at the Library after regular hours. Councillor Cuffe stated the Library Director referred to a policy that in place that does not allow anyone in the Library after hours without City staff on duty. It was the consensus of the committee that the Library staff should adjust their hours to accommodate the request from the Friends of the Library to hold a fundraiser, without incurring overtime. Discussion was also held on adjusting the staff schedule to clean the carpets on a Saturday, without incurring overtime.

Councillor Cuffe stated the City Operations Director must authorize any overtime for the Library staff and unnecessary overtime should be eliminated by making schedule adjustments.

City Operations Director Tourville stated he will request the City Attorney to give an opinion on the maintenance of effort funding issue for the Library.

Meeting adjourned at 10:15 A.M.

9.3

**FINANCE COMMITTEE-OF-THE-WHOLE**  
**Tuesday, April 23, 2013 – 10:00 A.M.**  
**Council Chambers, Virginia City Hall:**

Present: Councillors Cuffe, Littlewolf, Ralston, Baribeau, Sipola, Baranzelli, Mayor Russo – 7  
Absent: None

Also Present: Fire Department – Jason Dickinson, Dan L’Allier, Scott Fredrickson; Rick Puhek, City Assessor; Springsted – Dave Unmacht, Pat Simpson, Matt Stark; Dr. Robert Zotti, Medical Director; Lois Roskoski, City Clerk; John Tourville, City Operations Director; Sherry Erickson, Finance/HR Director; Quentin Bloomquist

Dave Unmacht, Springsted, reviewed the final copy of the Fire Department Study for the City of Virginia and noted six areas were updated and revised:

- Service area – Section 4.
- Financial information included in Appendix 1 reflects real time.
- Data was updated to include the full year 2012.
- General updates were made per discussion at the February meeting.
- A new section, Actions Step Strategy, was added (Page 32).
- General grammatical changes were made.

Mr. Unmacht stated the business plan provides a baseline on how to optimize the services provided by the Fire/Ambulance Department. Springsted included the following information and topics in the business plan:

- Understand the department’s operations.
- Identify the baseline of fire and rescue services.
- Reduce overtime usage.
- Develop a long range capital and facilities plan.
- Consider the rationale for a fire services taxing district (regionalization).
- Develop a workable plan for the future.

Mr. Unmacht summarized the report, as follows:

- Pages 4-20 – Includes factual information on the operations provided by the Virginia Fire/Ambulance Department.
- Pages 21/27 - Includes information on the Fire Department needs, including the possible relocation of the Fire Hall in the future. Also includes information on the service area.
- Pages 27/28 – Addresses the staffing structure and increasing the collections for ambulance billings.
- Page 30 – Outlines the Fire Department Business Plan. Nine points were identified to outline the business case to address the Fire Department’s priorities and challenges:
  1. Present demands on the ambulance service have changed the fundamentals of the Fire Department in a dramatic way.
  2. Present situation does not serve the beset interested of the actual fire services.
  3. Virginia has a high energy team, with the drive and motivation to make changes.
  4. Succession planning is important due to future retirements.
  5. Fire facility needs are clear.
  6. Use of capital equipment requires a strong replacement plan.
  7. Present business model is not operating in a cost effective manner, as there are unnecessary expenses and uncollected revenues.
  8. There is a need to enhance the workplace culture.
  9. Opportunities for collaboration and partnerships required initiative and policy-level leadership.

- Page 30 - Business Model assumes the City of Virginia will continue to provide 24/7/365 fire/rescue services using a full time Fire Department. The Department will continue to employ an all hazards response team. The philosophy and business model assumes the policy of the City Council is to maximize revenue while implementing an efficient and effective operating strategy.
  - Page 31 – Business Plan outlines a strategy, based on three categories:
    1. Strategy
    2. Financial
    3. Operational
  - Page 32 – Action Step Strategy:
    - Step 1 Engage in a strategic planning process to explore the recommendations in the three business plan priorities: Strategic, Financial and Operational. These outcomes will determine the immediate steps to be taken. The recommendation is to begin within the next few months and simultaneous with the 2014 budget process.
    - Step 2 Consider hiring six new personnel, which could be phased in over time.
    - Step 3 Improve billing collections to the Minnesota state average of fifty percent. Review coding process used by current vendor as soon as possible.
    - Step 4 Explore pros and cons of creating an enterprise fund for the Fire Department, as part of the 2014 budget process.
    - Step 5 Hold a meeting, with Virginia taking the lead, with the regional fire and EMS departments to create a long term strategy. Encourage collaborations with other departments.
    - Step 6 In 2014, begin planning for a new fire station and include other city departments as a partner. Seek potential public/private partnerships to share costs or submit grants.
    - Step 7 Identify outside hospitals that want to use the Virginia Fire Department for transfer ambulance services.
    - Step 8 If decision is made to move forward with Step 7, evaluate staffing.
  - Appendix 1, Revenue and Expense Scenarios, includes several assumptions to calculate costs and revenues.
- Discussion was held on the following issues and concerns regarding the Fire Department Study:
- Ambulance billing collection rate was at 41 percent in 2011/2012. First quarter of 2013 showed an increase to 48 percent.
  - Would overtime be reduced by 75 percent by hiring six new employees?
  - An enterprise fund for the Fire Department would show a truer cost for the department. Further discuss the creation of an enterprise fund with the accounting staff and the Finance Committee.
  - If six new employees were hired, one additional bedroom would be required at the Fire Hall.
  - If Virginia moves forward with performing transfers from other hospitals, consider hiring part time employees that are EMT's.
  - Advantage Billing bases the billing code on the documentation they are provided. Staff should be trained to document the type of billing code for each ambulance call.
  - One formal audit has been done on Advantage Billing. EMS Coordinator Dickinson does a monthly informal audit.
  - With nine person crews, overtime could be reduced to one-fourth of current costs. Minimum staffing would be four with a nine person crew.
  - City Council should assign the appropriate City staff to complete the steps and timelines in the Business Plan. A Council representative should be included when collaborating with other communities in the region.
  - Cross training on the ambulance billing is currently being done at the Fire Department.
  - There are issues with the Fire union contract that affect the operations and discussions need to occur with the union representatives.

- There is a need to offer professional development courses, in addition to the recertification classes for employees.
- Will hiring additional firefighter/paramedic personnel provide adequate staffing to alleviate overtime, provide the necessary services for a safe environment and reduce burnout of staff?
- Issues with Fire Department could be assigned to a standing committee, or a new ad hoc committee could be formed, to implement some of the items outlined in the Fire Department Study.

*a.* **Moved by Sipola and supported by Baribeau to receive the Fire Department Study, developed by Springsted, and accepted as a guideline when moving forward by identifying the issues and possible solutions. Motion carried.**

Fire Chief L'Allier reviewed the Cooperative Fire Protection Agreement with United States Department of Agriculture, Forest Service, Superior National Forest, for the period ending March 31, 2018. The agreement includes increased rates by the Forest Service.

*b.* **Moved by Russo and supported by Cuffe to adopt a Resolution approving the extension of Cooperative Fire Protection Agreement between the U.S. Department of Agriculture, Forest Service Superior National Forest and Virginia Fire Department through March 31, 2018. Motion carried.**

*c.* **Moved by Baribeau and supported by Sipola to adopt a Resolution approving the transfer to Tax Increment Financing Debt Service Fund effective for the year ending December 31, 2012. Motion carried.**

*d.* **Moved by Russo and supported by Baranzelli to adopt a Resolution to approve transfers to Deficit Special Revenue, Capital Projects Fund Balances and General Fund Balances, effective for the year ending December 31, 2012. Motion carried.**

Discussion was held on the temporary job description for a Building Maintenance Repair position, which would shadow an employee that is nearing retirement. Mayor Russo stated a memorandum of understanding would need to be negotiated with the AFSCME union regarding the temporary position.

*e.* **Moved by Sipola and supported by Littlewolf to refer the job description for the Temporary Building Maintenance Repair position to the Personnel Committee for further discussion. Motion carried.**

Finance Erickson stated the City received \$32,000 in dividends from the League of Minnesota Cities Insurance Trust because the modification factor went down for the workers' compensation program.

Meeting adjourned at 11:55 A.M.

9.3 6-

COUNCIL CHAMBERS

Resolution No.

City of Virginia, Minnesota, April 23, 2013

**Resolution approving extension of Cooperative Fire Protection Agreement between the U.S. Department of Agriculture, Forest Service Superior National Forest and Virginia Fire Department**

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

**WHEREAS, the Virginia Fire Department and the U.S. Department of Agriculture, Forest Service Superior National Forest entered into an agreement on October 11, 2011, to provide cooperation in the prevention, detection and suppression of wildland fires within the protection areas of the parties in this agreement; and**

**WHEREAS, a revised Cooperative Fire Protection Agreement has been submitted, effective through March 31, 2018; and**

**WHEREAS, either party may terminate the agreement with a 30 day written notification; and**

**WHEREAS, rates for equipment hired with operator(s) shall be as specified in the agreement,**

**NOW, THEREFORE, BE IT RESOLVED to authorize the Mayor and City Operations Director to authorized to enter into the Cooperative Fire Protection Agreement between the U.S. Department of Agriculture, Forest Service Superior National Forest and Virginia Fire Department, effective through March 31, 2018.**

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

Ayes:

Nays:



COUNCIL CHAMBERS

9.3 C.

Resolution No.

City of Virginia, Minnesota, April 23, 2013

Resolution to approve the transfer to Tax Increment Financing Debt Service Fund effective for year ending December 31, 2012

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

WHEREAS, the City of Virginia should balance the Tax Increment Financing Debt Service Fund by transferring funds totaling \$1,217.08; and

WHEREAS, this is a normal year end closing procedure,

NOW THEREFORE, BE IT RESOLVED to approve the transfer, effective December 31, 2012, of \$1,217.08 from the TIF Development District 2 (Fund 301) to the TIF Debt Service Fund with the following allocation:

Waschke (Fund 316)	\$ 1,217.08
TOTAL	\$ 1,217.08

BE IT FURTHER RESOLVED that the Finance Director is instructed to implement these actions in the City's financial records.

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

Ayes:

Nays:

COUNCIL CHAMBERS

9.3 d.

Resolution No.

City of Virginia, Minnesota, April 23, 2013

Resolution to approve transfers to Deficit Special Revenue and Capital Projects Fund Balances and General Fund Balances, effective for year ending December 31, 2012

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

WHEREAS, the City of Virginia should balance the Deficit Special Revenue, Capital Projects and General Fund balances; and

WHEREAS, this is a normal year end closing procedure,

NOW, THEREFORE, BE IT RESOLVED to approve the transfer, effective December 31, 2012, of \$448,791.48 from the Other Projects 502 Fund to the Capital Project Funds with the following allocation:

Fund 425	Seppi Site- Lake and 18 <sup>th</sup> Street North	\$ 58,420.52
Fund 428	Horace Mann Project	\$ 152,173.45
Fund 433	IDEA Drilling Project	\$ 500.00
Fund 434	AEOA Youth Foyer	\$ 233,140.90
Fund 435.	Greiner's Troy Project	\$ 4,345.21
Fund 437	16 <sup>th</sup> Street North, Mill and Overlay	\$ 211.40
	<b>TOTAL</b>	<b>\$ 448,791.48</b>

BE IT FURTHER RESOLVED to approve the transfer, effective December 13, 2012, of \$67,347.01 from the General Fund to the Special Revenue Fund with the following allocation:

Fund 229	Tennis for All	\$ 67,347.01
	<b>TOTAL</b>	<b>\$ 67,347.01</b>

BE IT FURTHER RESOLVED to approve the transfer, effective December 13, 2012, of \$45,283.32 from the Heating and Energy Loan Fund 217 to the General Fund with the following allocation:

Fund 101	General	\$ 45,283.32
	<b>TOTAL</b>	<b>\$ 45,283.32</b>

BE IT FURTHER RESOLVED that the Finance Director is instructed to implement these actions in the City's financial records.

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

Ayes:

Nays: