

COUNCIL PROCEEDINGS

CITY OF VIRGINIA, MINNESOTA, JANUARY 28, 2003

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

Roll Call:

Present: Councillors Russo, Baribeau, Lindberg, Politano, Peterson, Mayor

Luoma Gentilini – 6

Absent: Councillor Lucarelli - 1

Moved by Russo and supported to open the public hearing on the incentive proposal and Business Subsidy Law for Blue Cross/Blue Shield, Inc. Motion carried.

Mayor Luoma Gentilini summarized the incentive proposal for a new 40,000 sq. ft. customer service center that Blue Cross/Blue Shield will build on the 16 acres of land in the City of Virginia, which also holds their current claims processing center. At full capacity, the new facility will have 185 employees and possibly up to 330 full-time employees. The cost of the new facility is estimated at \$5,900,000, with a total project cost estimated at \$11,200,000. Proposed project funding includes: Blue Cross/Blue Shield - \$7,480,000; City of Virginia - \$1,630,000; IRRRA - \$1,590,000; DTED - \$500,000. The City of Virginia's incentive package includes a total of \$1,630,000, as follows: Employee Incentive Loan - \$1,000,000; Property Tax Abatement Loan - \$320,000; Additional Employee Incentive Loan for between 185 employees and up to a maximum of 330 - \$310,000. The City's incentive package includes loans, which are forgivable based on job creations, job retention and the signing of a development agreement. City Department Director Leoni stated the customer service center is scheduled to open on November 1, 2003. Mayor Luoma Gentilini stated the City of Virginia is grateful to Blue

Cross/Blue Shield for locating in Virginia, in light of the mines closing. Councillor Peterson stated he is extremely pleased to have a quality company like Blue Cross/Blue Shield and the ten-year job retention package shows their commitment to this area.

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

Moved by Russo and supported to adopt Resolution No. 02225, to adopt Business Subsidy Law portion of public hearing in connection with the Blue Cross and Blue Shield of Minnesota project. Resolution adopted unanimously.

Moved by Baribeau and supported to adopt Resolution No. 02226, allowing the City of Virginia to apply for a DTED Grant for economic development on behalf of Blue Cross and Blue Shield of Minnesota. Resolution adopted unanimously.

Councillor Lindberg removed Item 3 A and B from the Consent Agenda.

Moved by Politano and supported to approve the Consent Agenda, as follows, with the exception of Items 3 A and B:

1. Approval/correction of minutes of Regular Meeting held January 14, 2003.
2. Adoption of Finance Resolution No. 03-002.
3. Approve travel requests:
 - A. Rick Puhek and Cheryl Weappa, Assessor's Office, Region 4 Minnesota Association of Assessing Officers monthly meetings, third Friday of each month, Grand Rapids or Duluth, MN.
 - B. Roseanne Koski, Police Department, Taser Instructor Training, March 12, 2003, Moundview, MN.
 - C. Nancy Maxwell, Library Director:
 1. Library Director monthly meetings, Mt. Iron, MN.
 2. Library Legislative Day, February 18-19, 2003, St. Paul, MN.
 - D. Dawn Heisel, Library, CLAS, February 21, 2003, Mt. Iron, MN.
 - E. Dana Waldron, Police Chief, and Lyle Vandervort, Fire Chief, Emergency Management Association Quarterly Meetings, February 13, 2003, Grand Rapids, MN.
4. Approve Secondhand Good Dealers License for the Salvation Army Thrift Store, 230 Chestnut Street.
5. Adopt Resolution No. 02227, authorizing lien on property at 417, 419 and 421 Chestnut Street for delinquent public utilities bill.

6. Adopt Resolution No. 02228, authorizing lien on property at 307-309 Chestnut Street for delinquent public utilities bill.
7. Adopt Resolution No. 02229, authorizing lien on property at 213 Chestnut Street for delinquent public utilities bill.
8. Adopt Resolution No. 02230, authorizing lien on property at 202 Seventh Street South for delinquent public utilities bill.
9. Approve Application for Exempt Permit for Mesabi Humane Society for bingo and raffle on May 10 and November 8, 2003.
10. Adopt Resolution No. 02231, approving Premises Permit Application for the Ely Winton Rod and Gun Club at the Rainy Lake Saloon & Deli.

Motions carried and Resolutions adopted unanimously.

Regarding Item 3A, Councillor Lindberg asked if both the Assessor and Deputy Assessor have to attend these meetings because the office would be closed on those days. City Department Director Leoni stated that the two employees could attend the meetings alternately. Councillor Baribeau stated it is important that the Deputy Assessor attend, as it is valuable training.

Moved by Politano and supported to approve Item 3A, travel request for Rick Puhek and Cheryl Weappa, Assessor's Office, to attend the Minnesota Association of Assessing Officers Region 4 monthly meetings, with the stipulation that only one employee attend each month. Motion carried.

Regarding Item 3B, Councillor Lindberg questioned if the Police Department has taser units. Dana Waldron, Police Chief, stated the department is planning to purchase two taser guns, at a cost of \$400.00/each, plus holster, batteries and shells. He feels that by using tasers, which incapacitate suspects, there would be less workers compensation injuries to police officers, due to less physical fighting. If Officer Koski attends the Taser Instructor Training, she would then be able to train other employees.

Moved by Politano and supported to approve Item 3B, travel request for Roseanne Koski to attend the Taser Instructor Training on March 12, 2003, in Moundsview, Minnesota. Motion carried.

Gary Cerkvénik explained the Great River Energy Bicycle Festival, which is scheduled for June 12-13, 2003. The professional USA sanctioned bike race, with approximately 250 road racers, will begin in Two Harbors and travel through the Iron Range, with the finish line in the City of Virginia. He reviewed the proposed 1.2 mile route through the Virginia, which avoids the street reconstruction and emergency service areas. Time trials will be held on the Mesabi Trail. Other events, such as BMX bikers and locally built pedal powered vehicle races, will also be held. This event will be aired nationwide on FOX and Mr. Cerkvénik hopes this will be an annual event. They are also looking for approximately 300 volunteers to help with roadblocks during the race. City Department Director Leoni stated City staff will continue to meet with the race committee, but they would like approval of the proposed race route at this time.

Moved by Baribeau and supported to accept the proposed bike race route for the Great River Energy Bicycle Festival, as outlined on the map, to be held June 11 and 12, 2003. Motion carried.

Moved by Politano and supported to adopt Resolution No. 02232, entering into a renewal contract with the Mesabi Humane Society for animal control services for the year February 1, 2003, to January 31, 2004, at a cost of \$2,349.87/month. Councillor Baribeau stated he supports the Mesabi Humane Society, but he is not in favor of any increase at this time, due to the State deficit and possible effect on the City of Virginia. Councillor Russo suggested that, based on the Finance Committee's recommendation, the City approve a 1 ½ percent increase, instead of the requested 3 percent increase.

Ayes: Councillors Lindberg, Politano, Peterson, Mayor Luoma Gentilini – 4

Nays: Councillors Russo, Baribeau – 2

Resolution adopted.

Moved by Peterson and supported to adopt an Ordinance deleting Sec. 5.04 of Chapter 5 of the City Code of the City of Virginia entitled “Delinquent Taxes and Charges”. Ordinance adopted unanimously.

Moved by Russo and supported to adopt Resolution No. 02233, entering into a license agreement with Eveleth Mines LLC, d/b/a EVTAC Mining, for the amount of \$1.00, which would allow the City to crush and remove approximately 3,000 tons of 8” minus rock from EVTAC property for the Ballfield Channel Improvement Project, C.P. 4-01. Resolution adopted unanimously.

Moved by Russo and supported to adopt Resolution No. 02234, accepting quote from Lakehead Environmental Services, Inc., in the amount of \$6,530.00, for removal of hazardous materials from City owned properties at 316, 320 and 324 1st Street South. Resolution adopted unanimously.

Moved by Peterson and supported to go on record supporting the name change of County Road 132, which passes by the Eveleth-Virginia Airport, to Senator Wellstone Memorial Drive and to forward the request to the County Commissioner’s Office. Motion carried.

Moved by Lindberg and supported to adopt Resolution No. 02235, accepting quote from Sun Turf, in the amount of \$15,026.09, including tax, for one Jacobsen G-Plex II Riding Greens Mower. Resolution adopted unanimously.

Discussion was held on the quotes received for the rental golf cart fleet. Park/Recreation Director Bachman recommended accepting the bid from E-Z Go Textron, in the amount of \$65,071.20, as the carts are the same as the current fleet. Councillor Lindberg stated he prefers the quote with a four-year warranty.

Moved by Russo and supported to table the bids for the rental golf cart fleet until more information is received. Motion carried.

Moved by Peterson and supported to make a recommendation to the Charter Commission to change the residency requirements for commissions from two years to one year. Previously, the Charter Commission had suggested 30 days. Motion carried.

Moved by Peterson and supported to authorize the Virginia Fire Department, along with the Mt. Iron Fire Department, to do a rapid intervention training in the Fox building from 6:00 P.M. to 10:00 P.M. on February 10, 2003. Motion carried. City Attorney Butorac suggested that the City sign a liability waiver, as St. Louis County owns the building. City Department Director Leoni stated the utilities are still live in the building and the Fire Department needs to take that into consideration. City Clerk/Finance Director Lackner stated that, earlier in the day, St. Louis County approved transferring this tax forfeited property to the City, with the City to pay the transfer costs.

Councillor Baribeau reported on the Street and Alley Committee meeting held on January 21, 2003.

Moved by Baribeau and supported to pursue the cost factor on electrical consumption and conservation efforts for the Fifth Avenue lights. Motion carried.

Councillor Baribeau stated all lighting requests should go through the Street and Alley Committee from now on.

Moved by Baribeau and supported to adopt Resolution No. 02236, accepting feasibility report and calling for a public hearing for specially assessed project C.P. 2-03, Reconstruction of Trunk Highway 135, from Trunk Highway 53 to 16th Avenue West. Resolution adopted unanimously.

Moved by Baribeau and supported to accept the 2003 overlay list, as recommended by the Engineering Department. Motion carried.

Moved by Baribeau and supported to set a public hearing for 6:30 P.M. on March 25, 2003, regarding the 2003 overlay projects. Motion carried.

Moved by Baribeau and supported to call for bids for engineering proposals for the 2003 overlay projects. Motion carried.

Discussion was held on the sanding of various parking lots owned by the Housing and Redevelopment Authority. Councillor Baribeau stated the City could save time and manpower by discontinuing the sanding. City Department Director Leoni stated the City currently charges \$75.00 per hour for the sander, but he has proposed an increase to \$90.00 with a two-hour minimum. Councillor Russo stated the HRA is a City appointed authority and there have been a lot of trade offs between the two entities. Councillor Peterson stated he would like some consistency with our policies. City Department Director Leoni stated the City sands the

hospital parking lot in an emergency and only does the HRA parking lots when the HRA asks for additional help.

Moved by Baribeau and supported to authorize City Department Director Leoni to request the Housing and Redevelopment Authority to find other options for sanding their parking lots.

Ayes: Councillors Baribeau, Lindberg – 2

Nays: Councillors Russo, Politano, Peterson, Mayor Luoma Gentilini – 4

Motion failed.

Moved by Baribeau and supported to waive the requirement for a written resolution for the following motion. Motion carried.

Moved by Politano and supported to adopt Resolution No. 02237, approving equipment rental rates, effective January 1, 2003. Resolution adopted unanimously.

Councillor Politano reported on the Finance Committee meeting held on January 21 and 28, 2003.

Moved by Politano and supported to continue the contract with the CARL automation system at the Virginia Public Library. Motion carried.

Moved by Politano and supported to set the City band budget at \$9,500.00 for the year 2003. Motion carried.

Moved by Politano and supported to approve the membership dues for the Range Association of Municipalities and Schools, in the amount of \$950.00, for the year 2003. Motion carried.

Councillor Russo reported on the Personnel Committee meetings held on January 21 and 22, 2003.

Moved by Russo and supported to reappoint Don Sipola to the Public Utilities Commission for a three-year term ending February 1, 2006. Motion carried.

Moved by Russo and supported to reappoint Tom Teasck and Sandy Wallin to the Hospital Commission for three-year terms ending February 1, 2006. Motion carried.

Moved by Russo and supported to appoint Arlene Jershe and reappoint Carol Gunderson to the Library Commission for three-year terms ending February 1, 2006. Motion carried.

Moved by Russo and supported to reappoint James Saranpaa to the Planning and Zoning Commission for a three-year term ending February 1, 2006. Motion carried.

Moved by Russo and supported to reappoint Susan Swanson and David Lind to the Human Rights Commission for three-year terms ending February 1, 2006. Motion carried.

Moved by Russo and supported to appoint Polly Podpeskar and Cynthia Westin to the Park/Recreation Commission for three-year terms ending February 1, 2006. Motion carried.

Moved by Russo and supported to adopt Resolution No. 02238, appointing Glenn Patrick as the Quad Cities Economic Development Authority's At-Large Commissioner for the period January 1, 2003 to December 31, 2003. Resolution adopted unanimously.

Councillor Russo requested that Councillor Lucarelli make a recommendation to the Quad Cities Economic Development Authority to change the term of the at-large commissioner from one year to three years.

Moved by Russo and supported to adopt Resolution No. 02239, hiring Mark Gunderson and Daniel Rinta as Patrol Officers, contingent upon passing a psychological assessment and physical exam. Resolution adopted unanimously.

Mayor Luoma Gentilini reviewed the items from the Committee of the Whole meeting held on January 21, 2003. 1) Plans for the proposed Mesabi Station; 2) Plans for professional bike race; 3) Proposed animal control contract with Mesabi Humane Society; 4) Request from American Lung Association to make the golf course restaurant smoke-free.

Moved by Politano and supported to make the golf course restaurant smoke-free, as soon as possible. Councillor Baribeau stated, as long as all other City entities are smoke free, the City needs to make the golf course clubhouse smoke free also. Councillor Lindberg stated the City needs to enforce the no smoking policy for City vehicles. City Department Director Leoni stated, as a courtesy, he would like to inform Mike Checco, manager of the golf course restaurant, of the new smoke free policy, before it is put into effect.

Moved by Baribeau and supported to table the request to make the golf course restaurant smoke free until the next Council meeting, so City Department Director can discuss the proposed policy with the restaurant manager. Motion carried.

Mayor Luoma Gentilini stated that Fire Marshall Roger Scott also gave a presentation at the Committee of the Whole meeting held on January 21, 2003. The Fire Department union will discuss the Deputy Marshall position and bring a recommendation to the City Council.

Mayor Luoma Gentilini reported that the following items were discussed at the Park/Recreation Commission meeting held on January 15, 2003: 1) Golf course receipts and

expenditures. 2) Contracts with Derek Aho, Golf Course Manager, and Mike Checco, Golf Course Restaurant Manager. 3) Town meetings held on vandalism and the lakeshore development. A Neighborhood Watch Program meeting will be held at 6:30 P.M. on January 30, 2003, at the Miners Memorial Building. The Lakes Beautification Committee will meet at 10:30 A.M. on March 3, 2003, at Wells Fargo to discuss the results and recommendations for Silver Lake and Baileys Lakes. 4) Coordination of the Rotary Fishing Contest and bike race for June 11-12, 2003. 5) Long range plan for the Miners Memorial Building.

City Department Director Leoni asked the City Council if they want a liaison from the Public Utilities Commission to give reports directly to the City Council. The City Council agreed that City Department Director Leoni and Councillor Peterson should report on the Public Utilities Commission meetings and a Public Utilities Commissioner can give a report when needed.

City Clerk/Finance Director Lackner reviewed the pay equity report for the City, Public Utilities and Hospital.

Moved by Russo and supported to adopt Resolution No. 02240, approving the pay equity compliance report, effective December 31, 2002, and authorizing submission of the report to the Department of Employee Relations, contingent upon clarification of question no. 2 on the report. Resolution adopted unanimously.

Mayor Luoma Gentilini reported on the following items:

- State Fire Marshall has issued a fireworks fact sheet. The Virginia Fire Department will educate the vendors in the City of Virginia on the items that can be sold in Minnesota.
- Mediacom has raised their rates once again by \$3.00/month. She did request that a 5 to 10 percent senior discount be given to our service area. City Clerk/Finance Director Lackner

stated Mediacom has ignored our request for an audit and they are obligated to provide financial information on the franchise funds. If they are in violation of the franchise agreement, the City may be able to terminate their contract. City Attorney Butorac stated that rate increases should be based on justification.

Moved by Peterson and supported to go on record opposing any rate increase, until Mediacom provides the City with an audit and to have City Attorney Butorac write to the United States Senators and Representatives regarding the situation and request other communities to support in this complaint. Motion carried. Councillor Lindberg stated he would like to have financial information from Mediacom available at the next meeting.

Mayor Luoma Gentilini read a letter to Public Utilities employees Mark Gibson, John Sopp, Lowell Jensen, Tim Stellmach, Don Glumac, Dallas Fiskari and Doug Ganoe thanking them for their efforts involving the water main leak on West Chestnut Street and 9th Avenue during the extreme cold conditions on January 18 and 19, 2003.

Mayor Luoma Gentilini read a letter to Public Utilities employees Hans Hanson, Tim Stellmach, Lowell Jensen, Don Glumac and Doug Ganoe thanking them for their efforts involving the water main lead behind F & D Meats during the extreme cold conditions on January 23 and 24, 2003.

Mayor Luoma Gentilini read a letter from the Minnesota Historical Society regarding nominating the Virginia City Hall for historical building designation. Once the Minnesota Historical Society does an assessment of the City Hall, the City Council can decide if the City wants to accept the designation.

Moved by Russo and supported to authorize the Minnesota Historical Society to make an assessment of the Virginia City Hall for the National Register of Historical Places.

Motion carried.

Mayor Luoma Gentilini stated the Virginia Foundation has awarded the City of Virginia two grants (\$5,000 each), in the total amount of \$10,000.00 for the sliding hill in Northern Heights. Councillor Politano thanked the Mayor for her efforts in obtaining the grant.

Moved by Lindberg and supported to adjourn to 6:30 P.M. on Tuesday, February 11, 2003, in the Council Chambers, City Hall. Motion carried.

CAROLYN LUOMA GENTILINI

Mayor

(CORPORATE SEAL)

LOIS ROSKOSKI

Deputy City Clerk