

## COUNCIL PROCEEDINGS

### CITY OF VIRGINIA, MINNESOTA, JUNE 10, 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 Lucarelli, Russo, Lindberg, Politano, Peterson, Mayor Luoma Gentilini – 6  
Absent: Councillor Baribeau – 1

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

1. Approval/correction of minutes of Regular Meeting held May 27, 2003.
2. Adoption of Finance Resolution No. 03011.
3. Approve travel request:
  - A. Richard Puhek, City Assessor, Minnesota Department of Revenue education, September 17-18 & 24-25, 2003.
4. Approve Transient Merchant's License for Penny Vlasich, d/b/a Northland Variety.
5. Approve variances, as recommended by the Planning and Zoning Commission at their June 2, 2003, meeting:
  - A. Larry Starkovich, 408 10<sup>th</sup> Street South, 2.0' variance from the required 5' side yard setback to build a 56 inch wide x 43' raised walkway 3' from the West property line.
  - B. Al Mobraten, 1005 13<sup>th</sup> Street North, 3' variance from the required 20' front yard setback to build an 8' x 10' portico 17' from the front yard property line.
  - C. Brad Dahl, 34 Taconite Drive:
    1. 5.75' variance from the required 8' side yard setback in order to build a 26' x 24' garage 2.25' from the East property line.
    2. 1.0' variance from the required 5' setback from an existing dwelling in order to build a 26' x 24' garage 4' from the existing dwelling.
    3. Variance from the Virginia City Code, Section 11.30, Subd. 1(a) to allow an accessory structure in the front yard.
    4. 13.49' variance from the required 20' front yard setback requirement, in order to build a 26' x 24' garage 6.51' from the front property line.
  - D. Candy Groves, 222 Ninth Street North, 4' variance from the required 5' side yard setback to build a 12' x 12' deck 1' from the East property line.
  - E. Dennis Hendricks, 1000 18<sup>th</sup> Street South, 500 sq. ft. variance from the maximum 1,000 sq. ft. allowed for accessory structures in order to build a 1,500 sq. ft. garage 50' x 30' in size.
6. Approve Virginia Golf Course Rounds and Revenue Report thru May 31, 2003.
7. Adopt Resolution No. 03109, approving Premises Permit Application from Ely Winton Rod & Gun Club at The Mirage, 509 Chestnut Street.

8. Approve Transient Merchant's License for Michael Maxim to sell fireworks, contingent upon payment of additional \$50.00 to cover background check.

Motions carried and Resolutions adopted unanimously.

Don Sipola, Public Utilities Commission, stated the Public Utilities Commission approved a steam rate increase on June 9, 2003, to be effective July 1, 2003. Steam rate charges are based on a tier system, so the amount of the increase would be based on consumption. The Public Utilities has experienced a loss in steam since 1998 and are projecting a loss of \$518,317 for 2003. An average residential home uses 880 units of steam a year, which would amount to an annual increase of \$70.00 or \$5.86 per month (5.29% annual increase). Councillor Lindberg stated that the downsizing of the steam system was supposed to eliminate rate increases for steam and he suggested that the Public Utilities Commission cut down on their budget and revisit the situation. Commissioner Sipola stated that, if the steam is run at a deficit, the other commodities will have to subsidize it. Councillor Politano stated she will not vote for a steam increase, as one-half of the customers are on steam. Commissioner Sipola stated that, over time, the rates should come back to a break-even point. The Public Utilities has eliminated a number of repair liabilities with the steam abandonments and are doing preventative maintenance on the system. Councillor Russo stated the Public Utilities has gotten rid of the inefficient steam areas and the remaining customers will have to bear the costs, with rate increases to be kept in line. Councillor Lucarelli stated he does not like to increase rates, but the steam system has to be repaired. Councillor Peterson stated the City cannot allow deficit spending and he does not know of another way to correct the problem, other than a steam rate increase. The Public Utilities Commission has spent a lot of time analyzing this and needs to raise the rates. Councillor Russo stated he cannot support a full a 5.29 % increase and suggested a 4% increase. Commissioner Sipola stated the tier system gives consumers the option to turn down the heat or weatherize their homes. Mayor Luoma Gentilini stated the City has been fiscally responsible and, with local government aid cuts, residents will have increased taxes and fees to keep basic services. The Mayor

stated she cannot go along with the proposed rate increase. City Department Director Leoni stated the Public Utilities Commission has worked hard at analyzing the steam system and are running the department as fiscally responsibly as they can. The Public Utilities must repair the steam system and continue to increase efficiencies. There are not alot of other avenues available, except rate increases.

Moved by Lindberg and supported to veto the recommendation from the Public Utilities Commission to raise the steam rates by an average of 5.29 percent annually.

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

Nays: Councillors Lucarelli, Peterson – 2

Motion carried.

Moved by Russo and supported to request the Public Utilities Commission to raise the steam usage rates by four percent annually.

Ayes: Councillors Lucarelli, Russo, Lindberg, Peterson, Mayor Luoma Gentilini – 5

Nays: Councillor Politano - 1

Motion carried.

Julie Klejeski, Northeast Technical Services, stated NTS received a grant from the Minnesota Pollution Control Agency for a mercury reduction program in the City of Virginia. The City has been a leader in reducing toxic mercury and Northeast Technical Services will develop ways to help cut down on mercury that is discharged into the wastewater and water systems. Ms. Klejeski reviewed the following items and their mercury effect: 1) Mining; 2) Burning fossil fuels; 3) Eating contaminated fish and shellfish; 4) Incinerators burning fuels; 5) Exposure to unborn children. Minnesota is a leader is getting rid of mercury products. The City of Virginia and Northeast Technical Service are doing everything they can to get the information out to educate citizens, in order to have the best wastewater and drinking water possible.

City Attorney Butorac placed a proposed ordinance on the Councillors' desks to amend Chapter 10 of the City Code entitled "Public Protection, Crimes and Offenses", which will be discussed at the next Council meeting. This proposed ordinance would prohibit weapons/firearms on City property.

Moved by Lindberg and supported to approve the payment of additional costs to Ulland Brothers, in the amount of \$48,971.05, for additional fill materials for the sewer trench and water main trench on the 9<sup>th</sup> Avenue project, due to unsuitable soils. Motion carried.

Councillor Lucarelli reported on the Buildings and Grounds Committee meetings held on June 3 and 9, 2003.

An offer was received from Peter and Colleen Kaseno, in the amount of \$15,000.00, to purchase Lot 6, Block 2, Northern Heights Addition. A resolution will be adopted at the next City Council meeting approving this sale.

Moved by Lucarelli and supported to adopt Resolution No. 03110, accepting the bid from Veit and Co., Inc., in the amount of \$54,996.00, for the demolition of 220 Chestnut Street, and, in the amount of \$48,939.00, for the demolition of 226 Chestnut Street. Resolution adopted unanimously.

Moved by Lucarelli and supported to adopt Resolution No. 03111, accepting the quote from Mesabi Sign, in the amount of \$2,500.00, to sandblast and paint the City Hall railings, and to authorize City employees to remove and repair the railings prior to the painting, at an additional cost of approximately \$1,500.00. Resolution adopted unanimously.

Moved by Lucarelli and supported to adopt Resolution No. 03112, authorizing the land exchange with Mick Giblin for property for the City Center Park project. Resolution adopted unanimously.

Councillor Politano reported on the Finance Committee meeting held on June 10, 2003.

Moved by Politano and supported to approve payment to the Greenwood Cemetery Association, in the amount of \$4,500.00, for road repairs, with the balance of \$4,480.00 to be paid in 2004. Motion carried.

Moved by Politano and supported to authorize the reduced payment to the Greenwood Cemetery Association for their 2003 appropriation, in the amount of \$7,862.60 (\$8,500 annual appropriation reduced by ten percent, as of April 1, 2003). Motion carried.

Moved by Politano and supported to move forward with the refunding of the Laurentian Manor bonds and to hold a public hearing at 6:30 P.M. on July 8, 2003. Motion carried.

Moved by Politano and supported to approve the donation of a Virginia Golf Course 2003 season pass for the 2003 Quad Cities Golf Outing, to be held on June 19, 2003. Motion carried.

Moved by Politano and supported to approve the donation of a Virginia Golf Course 2003 season pass for the 3<sup>rd</sup> Annual Virginia Foundation Golf Tournament, to be held on June 27, 2003. Motion carried.

Moved by Politano and supported to approve payment of license fees to ASCAP and BMI, in the total amount of \$510.00, in order for the City of Virginia to have licensed music for the Heart of Virginia to play on the downtown speaker system and the Virginia public access channel, with the funds to come out of the cable franchise fees. Motion carried.

Moved by Politano and supported to authorize the City Clerk/Finance Director to invest approximately \$3,000,000 of funds for the Second Avenue Project with Queen City Federal, at an approximate interest of 2% for a 12-month period. Motion carried.

Councillor Russo reported that the Housing and Redevelopment Authority will be celebrating their 50<sup>th</sup> anniversary and will have a program on June 19, 2003, from 4:00 P.M. to 6:00 P.M. in the HRA community room.

Councillor Lucarelli requested that the City Council adopt a resolution requesting that St. Louis County perform 911 dispatch services for the Virginia Police Department and this will allow the Police Chief to present the resolution to the 911 User Board meeting on June 11, 2003.

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

Moved by Lucarelli and supported to adopt Resolution No. 03113, requesting St. Louis County to provide 911 dispatch services for the City of Virginia Police Department. Resolution adopted unanimously.

Councillor Lindberg reported on a meeting he attended at the Virginia Regional Medical Center to review various options for the VRMC management contract.

Mayor Luoma Gentilini stated the City Council met with the Eveleth/Virginia Airport Authority and Eveleth City Council on June 9, 2003, to discuss the future of the airport. The Eveleth and Virginia City Councils will meet and discuss various options in the near future, as funding will be a problem.

Councillor Lucarelli reported on the Range Association of Municipalities and Schools meeting he attended on May 28, 2003. RAMS passed a resolution opposing the legislation regarding concealed weapons and suggested that the City Council do the same.

Mayor Luoma Gentilini reported on the following items:

- Fourth of July fireworks celebration in Virginia will begin at approximately 10:00 P.M. at the Mineview-in-the-Sky. No parking will be allowed on Highways 53 or 135.
- American Cancer Society will be sponsoring the Liz Prebich Golf Classic on July 17, 2003, at the Virginia Golf Course.
- New handicapped playground equipment has been installed at Southside Park.
- Thanked Mesabi Bituminous for blacktopping the basketball court at the Ridgewood Shack.
- Congressman Oberstar's office has agreed to help the Virginia Trap Club obtain or lease lands near Lookout Mountain for their relocation.
- Reviewed the activities for the Great River Energy Bike Festival, will be held on June 12 and 13, 2003, in Virginia.
- Read letter from the Department of Public Utilities thanking several Public Utilities employees for their extra efforts in repairing a boiler and this saved the Public Utilities over \$100,000.00.

Moved by Politano and supported to send a letter of thanks to Jerry Nemanich, Mesabi

Bituminous, for blacktopping the basketball court. Motion carried.

Moved by Lucarelli and supported to adjourn to 6:30 P.M. on Tuesday, June 24, 2003, in the Council Chambers, City Hall. Motion carried.

CAROLYN LUOMA GENTILINI

Mayor

(CORPORATE SEAL)

LOIS ROSKOSKI

Deputy City Clerk