

## VIRGINIA CITY COUNCIL

### COUNCIL PROCEEDINGS

**CITY OF VIRGINIA, MINNESOTA, MARCH 25, 2014**

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

Roll Call:

Present: Councillors Cuffe, Littlewolf, Ralston, Baribeau, Sipola, Baranzelli, Mayor Russo - 7

Absent: None

Mayor Russo led the Pledge of Allegiance.

Diane Torrell, representing the St. Louis County Health Department, appeared to give an update on the "Act of Transportation", which is a program through the Statewide Health Improvement Plan. The program encourages biking and walking for wellness and works with city officials to support infrastructure and educate the public. Ms. Torrell also encouraged the City Council to build in the sustainability of the lakes while moving forward with development projects.

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

1. Approval/correction of minutes of Regular Meeting held March 11, 2014.
2. Approval/correction of minutes of the Special City Council Meeting held March 18, 2014.
3. Adoption of Finance Resolution No. 14-006 ó Schedule of Bills.
4. Approve Dance Permit for Iron Range Youth in Action-4/17/14 at the Miners Memorial Building.
5. Adopt Resolution No. 14044, authorizing submission and acceptance of the GO Bonds Proceeds Grant from the State of Minnesota, in the amount of \$74,529.29, for the Eveleth-Virginia Municipal Airport reconstruction of runway 9-27 and conversion of runway 14/32 to turf.

6. Adopt Resolution No. 14045, in opposition to the Minnesota Department of Transportation plan to develop an intersection at State Trunk Highway 53 and 135 that would provide a lesser level of service than the existing interchange.
7. Adopt Resolution No. 14046, authorizing the City of Virginia to make application to and accept funds from IRRRB Residential Redevelopment Grant Program.
8. Approve a Temporary On-Sale Liquor License for the Friends of the Greenhouse, for the Green Envy Event, to be held at the Greenhouse on Saturday April 12, 2014.

Motions carried and Resolutions adopted unanimously.

Moved by Littlewolf and supported by Cuffe to remove the motion from the table in opposition of House File 2629, which was tabled at the Special City Council meeting held on March 18, 2014. Motion carried.

Councillor Ralston recommended taking action and going on record in opposition of House File 2629, as written as of March 18, 2014, regarding the funding of the co-located school campus proposal, which is under consideration by the Virginia, Mt. Iron-Buhl and Eveleth-Gilbert School Districts.

Moved by Ralston and supported by Cuffe to oppose Legislation House File 2629, as written as of March 18, 2014, regarding the funding of the co-located school campus proposal that is under consideration by the Virginia, Mt. Iron-Buhl and Eveleth-Gilbert School Districts. Motion carried.

A lengthy discussion took place on the motion, which has been summarized as follows:

Councillor Littlewolf expressed concern in taking money from the Doug Johnson Economic Development Trust Fund. She does not support the Virginia high school moving out of Virginia or the co-location model. Councillor Littlewolf also expressed concern that the Virginia School Board did not contact the City of Virginia to obtain information on the acquisition of land in Virginia for a co-located facility. She further stated the co-location concept has never been successful and is only used as a transition model to consolidation. Councillor Littlewolf stated she has spoken with some students, who said they are not comfortable going into a school with different identities.

Councillor Baribeau expressed concerns with funding in the original draft of House File 2629 and stated it will become the responsibility of the Virginia taxpayers to pay for additional bonding or a levy, if the funding falls short or revenue is decreased. Councillor Baribeau expressed an additional concern on the section of House File 2629 that references the Joint Powers Cooperative Facility and questioned the legality of the process by the Virginia School Board. Councillor Baribeau also expressed concerns regarding the increased cost of transportation with the co-location plan and the loss of revenue in the open enrollment program.

Councillor Ralston stated House File 2629 was distributed too late for the City Council to have an opportunity to read the file and review the economic impact to Virginia. He also suggested that Virginia request a copy of the current legislation to review and comment. Councillor Ralston clarified the motion and stated it is only a recommendation to the Virginia School Board, as they have the right to make the decision on the co-location of the high school.

Mayor Russo stated he supports the motion to oppose House File 2629, until the current legislation is obtained and reviewed. Mayor Russo also noted the number one site in the study for the location of the joint high school was on Southern Drive in Virginia, with the Mt. Iron site listed as number seven.

Councillor Sipola recommended that City staff obtain a current copy of legislation for review and ask that Virginia be notified when there is a hearing on this legislation. Councillor Sipola stated he felt the motion was appropriate, as he has not heard from any person that is in favor of the co-located high school.

Councillor Cuffe reviewed the meetings that have been held to date to discuss the collaboration for a co-location of the high schools for Virginia, Eveleth/Gilbert, and Mt. Iron/Buhl and summarized the advantages and disadvantages that have been discussed at the meetings. Councillor Cuffe commended the Virginia School District for ensuring in the legislation that any co-location

decision will lie with the voters of each school district. Councillor Cuffe stated there is no compelling reason, at this point, to justify moving the school outside the Virginia City limits and stated Virginia has the resources, facilities, land expansion opportunities and infrastructure support to address co-location or consolidation. He further noted the Virginia school representatives did not contact the City of Virginia to inquire about potential sites in Virginia. Councillor Cuffe suggested that the all options be carefully considered jointly, with public input, to find the common ground that ensures the best possible outcome for the future of our educational institution.

Councillor Baranzelli stated he has received numerous telephone calls against the co-location and recommended that the Virginia School Board consider consolidation.

Moved by Ralston and supported by Littlewolf to direct the Administrative Assistant to obtain a copy of the current file and updates for House File 2629. Motion carried.

Moved by Ralston and supported by Baribeau to recommend that the Virginia School Board discontinue discussions on the co-location of the high school in Mt. Iron and work on a consolidation plan on the current Virginia campus. Motion carried.

Bill Hafdahl, Virginia School Board member, was present and responded to the statements made by the City Council, stating the School Board recognizes the input from the City Council and citizens. Mr. Hafdahl confirmed that no formal discussions have been held with the students. He also explained that his newspaper editorial did not say the Mt. Iron location was the first choice in the site plan, but noted it does have good characteristics. The identity of the individual districts will be preserved in the co-location plan, but, in the future, there may be no reason to maintain separate identities. Each community will also preserve their own elementary school. Mr. Hafdahl stated committees have been formed to review transportation, finance and governance issues.

Councillor Ralston discussed the costs to upgrade the Virginia school, which was estimated at \$35 million, with the co-location of Virginia and Mt. Iron estimated at \$70 million. Councillor Ralston questioned why the Virginia School Board did not pursue the facility upgrade at the Virginia campus. Mr. Hafdahl responded that the remodeling of the current Virginia high school would require bonding and asking the citizens for a levy. The financing of the co-location plan would not fall on the citizens of the school districts.

Councillor Ralston reported on the Finance Committee-of-the-Whole meeting held on March 18, 2014.

Moved by Ralston and supported by Sipola to form a sub-committee, including Councillor Littlewolf and Mayor Russo, to review the Library's long term plan. Motion carried.

Moved by Ralston and supported by Cuffe to adopt Resolution No. 14047, approving the relief of six units of sewer charges to those customers that choose to run their water to prevent freeze ups during the months of March and April of 2014. Resolution adopted unanimously.

Moved by Ralston and supported by Baribeau to approve to reduce the retainage for the contract with Rice Lake Construction from five percent to a flat rate of \$46,635.00 for C.P. 7-11 - Reconstruction of the Wastewater Treatment Facility. Motion carried.

Moved by Ralston and supported by Baranzelli to authorize the City Administrator and City Attorney to prepare a development agreement with Laborer Union for their proposed building on the former Seppi site on Silver Lake.

Ayes: Councillors Cuffe, Littlewolf, Ralston, Baribeau, Baranzelli, Mayor Russo ó 6

Nays: Councillor Sipola ó 1

Motion carried.

Moved by Sipola to table the development agreement with Laborer Union for two weeks, in order to review the contribution from Natural Harvest for sustainability and hold a public hearing to obtain public comment. Motion failed for lack of support.

Councillor Sipola stated he was opposed to giving away the former Seppi site for free to the Laborer Union to build a union hall and felt it would set a precedent for the remaining lake property. He further stated that it was clear the public wanted to preserve the former Seppi site for public use, as noted in the City's Comprehensive Plan that was approved in 1997.

Jodi Schefers, Park/Recreation Commissioner, stated the commission spent a lot of time holding community meetings to update the park and trails portion of the Comprehensive Plan and asked the City Council to consider all aspects, prior to giving away the land at no charge.

Mike Schefers, citizen, commended the City Council for due diligence on issues and asked that the community be asked for their input, because they are surprised with the buildings that are being built on the lakeside.

Moved by Ralston and supported by Cuffe to adopt Resolution No. 14048, accepting the Supplemental Letter Agreement with SEH Engineering, Inc., in the amount of \$4,300, for engineering services for the Silver Lake walking trail. Resolution adopted unanimously.

Moved by Ralston and supported by Cuffe to authorize the City Administrator to work with the Teen Center Board on an agreement to provide new lighting for the Teen Center and determine how much they are willing to contribute in labor and funding. Motion carried.

Moved by Ralston and supported by Baribeau to adopt Resolution No. 14049, accepting the quote from Snyder Industries, Inc., in the amount of \$14,627.69, to purchase fifty new garbage cans for the Public Works Department. Resolution adopted unanimously.

Moved by Ralston and supported by Littlewolf to deny the request for a donation from the Salvation Army for their Heating Assistance Fund, as it does not meet the criteria for a public purpose. Motion carried.

Councillor Littlewolf reported on the Building and Grounds Committee meeting held on March 18, 2014.

Councillor Littlewolf stated the Buildings and Grounds Committee continued to review the proposed rental code and discussed the budget and expenses that would be required to administer the rental code.

Moved by Littlewolf and supported by Sipola to approve the deletion of Section 29.A-32.1 - Conversion fee, from the proposed rental code. Motion carried.

Moved by Littlewolf and supported by Baranzelli to request the Police Chief to provide a current listing of police calls, based on address, for review by the Building and Grounds Committee. Motion carried.

Moved by Littlewolf and supported by Sipola to authorize the Building and Grounds Committee to host an informational presentation on the proposed City of Virginia Rental Code in September, 2014, to gain input from community members. Motion carried.

Councillor Sipola stated it is the intent of the Buildings and Grounds Committee to gather feedback from the community on the proposed rental code, prior to making a formal presentation to the City Council.

Moved by Littlewolf and supported by Cuffe to direct the Library Director to submit the information on the painting and repairs that are required at the Library to the Finance Committee. Motion carried.

Councillor Littlewolf stated Bruce Carman has submitted an application for a business planning grant to the Minnesota Department of Agriculture, on behalf of Cedar Tree Enterprises, with the City of Virginia listed as a partner for the use of the Olcott Park Greenhouse as a demonstration project by the Mesabi College Iron Range Engineering Program.

Councillor Cuffe reported on the following issues that were discussed at the Public Utilities Commission meeting held on March 24, 2014.

- Forgiveness of six units of water per month above the normal water usage, based on the average use in October and November, 2013.
- Estimated cost of \$840,000 to repair the hospital water tower. The City Council will be asked for assistance in funding the non-budgeted repair item.
- Virginia has reported sixty-eight frozen water services, four frozen mains and thirteen water main breaks to date.

Moved by Ralston and supported by Littlewolf to authorize the City Administrator to immediately move forward and call for bids for the demolition of the former Staver Foundry. Motion carried.

City Administrator Tourville stated he will give an update on the status of the grant requirements for the Staver Foundry site at the next Finance Committee meeting.

Councillor Sipola stated Pedal Minnesota will be holding a bike workshop in the City of Virginia during the week of June 9, 2014.

Moved by Sipola and supported by Cuffe to authorize the Lead Engineer and Councillor Baribeau to attend the Pedal Minnesota workshop that will be held in Virginia during the week of June 9, 2014, to obtain additional information. Motion carried.

Councillor Sipola stated the Lakes Committee and Park/Recreation Commission have requested the breakdown on the mechanical, tuckpointing and landscaping upgrades for the Olcott Park fountain.

Moved by Littlewolf and supported by Ralston to request the Park/Recreation Director to share the breakdown on the engineering estimates to repair the Olcott Park fountain with the Park/Recreation Commission, Lakes Committee and Finance Committee. Motion carried.

Councillor Littlewolf reported on the Virginia School District's facility planning meeting that was held to review the proposed schematic drawings for the renovations to the Parkview Elementary School and requested the Engineering Department to review any issues with the street.

Meeting adjourned at 9:07 P.M., with the next regular City Council meeting to be held at 6:30 P.M. on Tuesday, April 8, 2014.

(CORPORATE SEAL)

LOUIS J. RUSSO  
Mayor

LOIS ROSKOSKI  
City Clerk