

COUNCIL PROCEEDINGS

CITY OF VIRGINIA, MINNESOTA, JULY 29, 2008

Special meeting of the City Council of the City of Virginia, Minnesota, was called to order by Mayor Peterson at 4:30 P.M. in the Council Chambers, City Hall.

Present: Councillors Baribeau, Littlewolf, Ralston, Lindberg, Damm, Russo, Mayor Peterson - 7

Absent: None

Moved by Lindberg and supported to open the public hearing to discuss the submission of a Community Development Block Grant for the Virginia Commercial Rehabilitation Program.

Motion carried.

There were only two citizens in the audience and no one spoke regarding the project.

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

Moved by Russo and supported to adopt Resolution No. 08123, authorizing submission of a Community Development Block Grant application for a Commercial Rehabilitation Program.

Resolution adopted unanimously.

Moved by Ralston and supported to adopt Resolution No. 08124, authorizing the sale of Lot 8, Block 1, Fairview Second Addition, and Lot 1, Block 1, Fairview Third Addition, to Karl and Stacey Sundquist, in the amount of \$15,000.00. Resolution adopted unanimously.

Councillor Ralston left the meeting.

Moved by Russo and supported to waive the requirement for a written resolution for the following two motions. Motion carried.

Moved by Lindberg and supported to adopt Resolution No. 08125, accepting the bid from Lenci Enterprises, Inc., in the amount of \$248,800, for the Miners Arena Elevator Project. Resolution adopted, with Councillor Ralston abstaining.

Councillor Ralston reentered the meeting.

Moved by Lindberg and supported to adopt Resolution No. 08126, accepting the bid from T & M Construction, in the amount of \$45,000, for the City Hall cupola repair project. Resolution adopted unanimously.

Moved by Russo and supported to approve the bid package for the Virginia Dial-a-Ride Service for the period January 1, 2009, through December 31, 2011, with an optional bid on service for the period January 1, 2012 through December 31, 2012, and to authorize the City Operations Director to follow up with the Minnesota Department of Transportation and the Arrowhead Economic Opportunity Agency regarding the transportation service. Motion carried.

Moved by Littlewolf and supported to approve the Application to Conduct Excluded Bingo for the Virginia Girls Swimming Booster Club for a bingo to be held on October 14, 2008. Motion carried.

Moved by Russo and supported to approve the Temporary On-Sale Liquor License for the Iron Range Labor Assembly for an event in Olcott Park on August 31, 2008. Motion carried.

Moved by Littlewolf and supported to approve the Application for Exempt Permit for the Quad Cities Rotary Club for a raffle to be held on September 25, 2008. Motion carried.

Moved by Russo and supported to adopt Resolution No. 08127, to designate the City of Virginia's December 31, 2007, General Fund Balances. Resolution adopted unanimously.

Moved by Lindberg and supported to adopt Finance Resolution No. 08014 – Schedule of Bills. Resolution adopted unanimously.

Moved by Lindberg and supported to close the meeting at 4:45 P.M. to meet with Attorney Clifford Greene regarding the Arrowhead Economic Opportunity Agency litigation. Motion carried.

Meeting was reopened at 5:25 P.M. and Mayor Peterson stated the meeting will be reconvened at the Miners Memorial Building at 5:30 P.M.

Mayor Peterson reconvened the meeting at 5:37 P.M. at the Miners Memorial Building South Room and introduced the mediator, James Gilbert, former Minnesota Supreme Court Justice. Mr. Gilbert reviewed the proposed settlement agreement with the AEOA.

Kathy Merkel requested more information on the reconfigured site. Councillor Russo explained how the proposed site was reconfigured.

Greg Baughman asked whether the building plans have been redesigned to be more functional. Mayor Peterson stated the building footprint has not been redesigned.

Paul Starkovich asked about the buffer zone between the Park and the AEOA project. Mayor Peterson stated it would be utilized as green space, possibly additional park space.

Louise Grams asked for more details on the proposed conditions and how the grant would be affected and this was explained.

Anne Flaim stated she was concerned about the safety for the residents in the area, because of possible mental health issues for some possible residents. She currently believes the south side area is currently unsafe and feels it will worsen with this proposed building.

Mayor Peterson addressed the safeguards written into the agreement.

Councillors Lindberg and Ralston are concerned about the possible loss exposure of \$2.0 million if the City loses the lawsuit.

Greg Baughman asked about the age issue and if the residents will be under age 21. Mayor Peterson stated the eligibility guidelines would be a detriment to older applicants.

Julie Anne Paulsen stated this is not mediation and she is totally opposed to the agreement.

Carl Baranzelli asked about the advice received from Kennedy & Gravel, legal counsel, regarding this case. Clifford Greene, Attorney from the League of Minnesota Cities representing the City, stated the advice is not public, because of the pending litigation. This is a land use and contract case.

Councillor Damm stated he feels people with mental issues are not more dangerous than the general public. Anne Flaim disagreed with Councillor Damm and stated she feels they are much more dangerous.

Gary Pernu asked about the staffing and timing. Councillor Russo stated it means permanent.

Carolyn Pernu asked about the advisory committee make up. Mayor Peterson reviewed the committee make up.

Councillor Russo stated all these concerns were brought up in the mediation and are addressed, as best possible.

A representative from Range Mental Health stated the Hibbing facility has not had any major issues.

Carolyn Pernu stated she has lost faith in local government and the AEOA because of this issue.

Keith Nelson, St. Louis County Commissioner, thanked the parties involved in this agreement and stated that this compromise agreement is better than the original agreement.

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

Moved by Damm and supported to adopt Resolution No. 08128, to accept the Settlement Agreement between the Arrowhead Economic Opportunity Agency and the City of Virginia regarding the Youth Foyer Project. Resolution adopted unanimously.

Councillor Baribeau stated he cannot expose the City to the potential legal damages and also stated this was the most difficult decision he has had to make while being on the Council.

Mayor Peterson asked about input into the building location. Betsy Schmeising, AEOA Attorney, stated they would review any input.

Councillor Littlewolf thanked the council members who worked on the mediated agreement and stated it is better than the original proposal.

Moved by Damm and supported to adjourn the meeting at 6:58 P.M. Motion carried.

(CORPORATE SEAL)

STEVE PETERSON
Mayor

RONALD LACKNER
City Clerk/Finance Director