

**CHISHOLM CITY COUNCIL  
REGULAR MEETING – AUGUST 26, 2020**

**CALL TO ORDER**

Mayor John Champa called the City Council Meeting to order at 5:30 p.m. The meeting was held via Zoom video teleconference instead of in person due to the COVID-19 coronavirus pandemic and Minnesota Governor Walz's Executive Orders. All votes were done by roll call vote.

**ROLL CALL**

Present: Council Members Tracy Campbell, April Fountain (left the meeting at 7:50 p.m.), Adam Lantz, Travis Vake, Jim Varda, and Mayor John Champa  
Absent: None

Also present: City Clerk-Treasurer/Administrator Bill Manney, City Attorney Bryan Lindsey, Building Official Mandy Galli, Consultant Engineer Jim Johnson, Fire Chief Bob Brown, Police Chief Vern Manner, Public Works Supervisor Larry Folstad, Recreation Director Tammy Nevalainen, Administrative Assistant Margaret Gornick, Marie Tolonen with the Chisholm Tribune Press, Terry Hartikka with Mesabi Community Television and Scott Sosalla with Architectural Resources, Inc.

**ADOPT THE AGENDA**

Moved by Councilor Fountain and supported by Councilor Lantz to adopt the Agenda with the following change: Item 7C4) Advertise for & hire Casual Laborers - change from an informational item to an action item.

Voting Aye: All

Motion Carried

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was recited.

**PUBLIC PARTICIPATION**

Shannon Kishel-Roche with the Chisholm Area Chamber of Commerce presented promotional materials to the council that she had discussed with the Chisholm Economic Development Authority (EDA) board recently. The EDA suggested bringing this information to the council for their approval. Shannon mentioned the Grand Rapids Chamber of Commerce offered this promotion in the Grand Rapids area. This promotion will be offered to all Chisholm businesses and not just businesses that are members of the Chamber of Commerce. It is a cash promotion where the Chamber is asking people to purchase \$25.00 dollars in Chisholm Chamber Cash & in return, they will receive a certificate for \$25.00 in Chisholm Chamber Cash plus a bonus certificate of \$10.00 in Chisholm Chamber Cash that can be spent at any Chisholm business. The Chamber will contribute \$3,750.00 of in-kind services to set up and manage the program. Three hundred (300) \$25.00 certificates & three hundred (300) \$10.00 free bonus certificates will be offered for a total cost of \$10,500.00. The business will then turn in the certificates to the Chamber and they will issue a check to the business. The Chamber is asking the City of Chisholm for \$7,250.00 to be used towards this promotion. If the Chamber sells 300 \$25.00 certificates it will amount to \$7,250.00. The total of the Cities contribution and the amount collected from the sales of the certificates will amount to \$14,500.00. The Chamber will advertise on the radio, newspaper & Facebook for an estimated cost of \$1,000.00. The total for the Chisholm Chamber Cash certificates will cost \$10,500.00. Expenses will be \$11,500.00 (a total of the cost of the certificates and advertising). The remainder of the funds (if all certificates are sold) will amount to \$3,250.00 and will be given to the Chamber to cover their costs for the promotion. People can stop by the Chamber office the beginning of September from 9:00 a.m. – 3:00 p.m. or they can call or email the Chamber. They will accept payments and reserve the certificates through Paypal in the same way that they do for the Escape Rooms. The Chamber hopes by offering this promotion that people will spend money in Chisholm.

**REPORTS**

Councilor Campbell attended the auxiliary ambulance meeting. They discussed the recent accident that occurred at the Redhead Mountain Bike Park Trail. She said the ATV was a big help. Some of the trail signs are missing numbers when you look them up on the trailhead app. Having these numbers would help with locating people that are injured.

Councilor Lantz reported there seems to be less geese around the lake. He thanked the businesses in Hibbing and the private citizens who dropped off water and snacks for the firefighters and first responders during the recent fire in Hibbing. He said it was great to see the community come to together like they did.

Councilor Vake said it was great to see the community come to together during the recent fire in Hibbing. He wishes the best for all of the people and families that were involved in the horrible tragedy that occurred. He thanked the Chisholm firefighters for responding to the fire.

Councilor Varda thanked Hibbing for their response to the recent fire.

Mayor Champa asked Administrator Manney if he received an email regarding Phase 1 of the St. Louis County Small Business Grants. Administrator Manney responded that he received the email and forwarded it to the EDA consultants. Mayor Champa attended the Housing & Redevelopment Authority (HRA) meeting and reported they are having issues with the contractor that was hired to demo the burned building. The HRA's attorney is handling this issue. The new HRA board member attended her first HRA meeting. There is one more vacant position on the HRA board. He attended the PUC meeting and left early to meet with Congressman Pete Stauber to see if there is anything that he can do for the City of Chisholm. He mentioned a few things to Congressman Stauber regarding a couple of items the EDA is discussing. Councilor Varda asked about the garage at the Lincoln apartments. Mayor Champa said the HRA's insurance company is handling this. He congratulated Councilor Campbell on her upcoming retirement.

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Building Official Mandy Galli reported she has issued 98 building permits year to date, with a total value of \$1,193,838.00. Building permit fees taken in so far this year are \$7,338.41. She said the City is doing really good permit wise. She will have five houses (three structures were destroyed by fires) to be demolished and hopes to have a Residential Redevelopment application for the next council meeting from the IRRRB to apply for a demolition grant. She discussed the house on 3<sup>rd</sup> Avenue NW that has a pigeon problem and said she will work with City Attorney Bryan Lindsay on the condemnation process for the building. She collected \$46,497.00 for the demolitions that have already occurred this year. She talked about the Super Duper Store building and will work with City Attorney Bryan Lindsay on the condemnation process as she has not received a response to the letter that she sent to the owner. She is also waiting on three rental license fees from the owner of this building. Councilor Varda inquired about deck permits & she explained the permit process for decks that are attached to houses versus those that are not attached.

Consultant Engineer Jim Johnson received an email from Norm Miranda with the Central Iron Range Sanitary Sewer District regarding the inflow and sand that they noticed at the sanitary sewer plant from the last heavy rain. They are concerned that it may have something to do with the utility loop near the new Public Safety Building site. Jim is working with Larry Folstad and they will be following up with the engineering firm and the contractor. Councilor Vake asked Jim about a temporary fix on 9 ½ Street as he feels this could be one of the worst streets in town. There are reconstruction issues and the storm sewer at the intersection of 9 ½ Street & Central Avenue is way too shallow. A bituminous overlay of the intersection was installed in 2016 to mitigate the humps created by the heaving storm sewer pipes. However, the pipes are evidently continuing to rise due to frost action. All four quadrants of the storm sewer at this intersection will need to be fixed. He has discussed these issues with Larry Folstad and they feel this could be a possible capital improvement project in the future.

Public Works Supervisor Larry Folstad reported he is working with Jones Sign and Mesabi Sign for the beautiful sign at the east entrance to Chisholm. He is battling through the staffing shortage in Public Works, he did not have one single employee in Public Works one day last week. Public Works is not able to keep up with the demands for street sweeping at this time or picking up limbs on boulevards from the recent storm. There was a lot of sand throughout town from the recent rain. Councilor Vake mentioned the catch basins were clogged by Tom & Jerry's and he cleaned them out. He is having safety meetings with his staff and discussions about safety. He has been having conversations on budgeting for 2021. He gave an update on the Away with Geese beacons that seem to be working on relocating the geese from the causeway. He worked with Recreation Director Tammy Nevalainen and his staff to install four solar lights on the south side of Longyear Lake by the Disc Golf parking lot. They hope to save money on the electric bill by having solar lights.

Fire Chief Bob Brown was not on the recent fire call in Hibbing but some of the Chisholm fire fighters were there from 10:30 a.m. to 5:00 p.m. He thanked everyone that was involved, for the great job that they did in controlling the fire. He thanked all of the members that were on scene at the fire for the great job that they did in keeping the fire contained in one building. There was an incident at the Redhead Mountain Bike Trail Park at the same part of the trail that his department trained at a few months ago. It involved someone from out of town that had a leg injury. The Chisholm Police Department and Chisholm Ambulance crew assisted with getting all of the rescue equipment there. Having the numbers on the trail signs will be a big help in the future. Councilor Campbell & Larry Folstad will assist in getting someone to put the numbers on the trail signs. The equipment that Larry Folstad ordered for them was a big help and it was a good learning experience for everyone. Captain Jason Worlie will be going through the equipment before it is housed at the fairgrounds to make sure it is in good working condition. Engine 1 is back in use after being out of service for three weeks. The fire department received a grant of \$200.00 per firefighter to be used for training and education purposes. He will bring a resolution to the council to accept these funds.

Recreation Director Tammy Nevalainen reported the Pickle Ball fencing has been installed by the arena. The Pickle Ball lines still need to be done. Jim Johnson is working with the sub-contractor for this project to get this resolved. She thanked Larry Folstad and his crew for their help in installing and adjusting the solar lights by the lake.

City Attorney Bryan Lindsay explained the eviction process has been extended due to the COVID-19 pandemic situation and the health and safety standards during this course of action. He reported the tenant downstairs of City Hall has experienced some health issues which has slowed the timeframe down for them to move their things out and vacate the property. He will work on some creative solutions to try to expedite the process.

Administrator Bill Manney reported the PUC recommended approving the addendum to the Flow Monitoring Study Agreement. He received information from the Northeast Service Coop regarding the health insurance increase for City employees for 2021. The health insurance increases for 2021 are anywhere from 4% - 40%. The City of Chisholm's increase will be 4.8% for 2021, which is good news. The City received the 2019 Taconite Production Tax Revenue money in the amount of \$113,386.00, which was \$45,586.00 more than the \$68,000.00 that was initially proposed for the 2019 budget and was payable in 2020. This was more good news for the City.

**ACCEPT THE CONSENT AGENDA**

Moved by Councilor Campbell and supported by Councilor Varda to accept the Consent Agenda, including the List of Bills, Minutes of the previous August 5, 2020 Working Session for the Public Safety Building, August 12, 2020 Regular Meeting, August 17, 2020 Joint Meeting with the Chisholm Hibbing Airport Authority, Payroll and Overtime.

Voting Aye: All

Motion Carried

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UNFINISHED BUSINESS:

CARES ACT FUNDING

Administrator Manney presented information to the council on the CARES Act Relief Fund for COVID-19. He explained where the source of funds received from various entities came from and the expenditures to date. He mentioned potential spending options such as Public Works Director Larry Folstad has requested hands free soap and towel dispensers in city owned buildings and to have water heaters installed. Scott Sosalla with ARI provided Administrator Manney with a proposal for safety upgrades at City Hall & the Library. A more detailed discussion on the types of expenditures that are COVID-19 related will be part of the proposed working session scheduled for September 2, 2020 at 5:00 p.m. The deadline to spend the funds is November 15, 2020.

NEW BUSINESS:

SCOTT SOSALLA – PUBLIC SAFETY BUILDING

Owners representative Scott Sosalla with Architectural Resources, Inc. discussed some of the items from the value engineering and alternate options that were presented to the council at the Working Session that was held with Five Bugles Design/Wendel on August 5, 2020. These items may have potential cost savings for the new Public Safety Facility. Mr. Sosalla will bring a written recommendation to the council regarding the value engineering and alternate bid options. This was an informational item at this time.

2<sup>ND</sup> QUARTER 2020 FINANCIAL REPORT

Deputy Clerk Eileen Zah presented information for the 2<sup>nd</sup> quarter 2020 revenues, expenses and cash. She did not include the general fund revenue. This was an informational item at this time.

RESOLUTION NO. 0820-62 APPOINT AARON DOERING AS  
REFUSE COLLECTION / HEAVY EQUIPMENT OPERATOR #2

Motion by Councilor Campbell and supported by Councilor Fountain to adopt Resolution No. 0820-62 to appoint Aaron Doering to serve as Refuse Collection / Heavy Equipment Operator #2.  
Voting Aye: All Motion Carried

JOB DESCRIPTION FOR HEAVY EQUIPMENT  
OPERATOR /TRUCK DRIVER / UTILITY POSITION

Moved by Councilor Campbell and supported by Councilor Fountain to approve the recommended changes to the Heavy Equipment Operator / Truck Driver position job description.  
Voting Aye: All Motion Carried

POST INTERNALLY & EXTERNALLY FOR THE HEAVY EQUIPMENT  
OPERATOR /TRUCK DRIVER / UTILITY POSITIONS

Moved by Councilor Campbell and supported by Councilor Vake to post internally and externally for two (2) Heavy Equipment Operator / Truck Driver / Utility positions and to appoint Administrator Bill Manney, Public Works Supervisor Larry Folstad, and Council Member April Fountain to serve as committee members for the external posting.  
Voting Aye: All Motion Carried

ADVERTISE FOR & HIRE TWO CASUAL SEASONAL LABORERS

Moved by Councilor Fountain and supported by Councilor Campbell to advertise for and hire two (2) casual, seasonal laborers.  
Voting Aye: All Motion Carried

ADDENDUM TO SEH, INC. FLOW MONITORING  
CONTRACT FOR SIMULATED SMOKE TESTING

Moved by Councilor Vake and supported by Councilor Campbell to approve the addendum to the Flow Monitoring Contract with SEH, Inc. for a fee not to exceed \$58,000.00 to perform Simulated Smoke Testing to be conducted throughout the City of Chisholm.  
Voting Aye: All Motion Carried

RESOLUTION NO. 0820-63 PERA FOR JUSTIN ROCK

Moved by Councilor Campbell and supported by Councilor Fountain to adopt Resolution No. 0820-63 to enroll Employee No. 90, Police Officer Justin Rock, in the Public Employees Retirement Association.  
Voting Aye: All Motion Carried

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**BRUSH PILE AND COMPOST SITE POLICY FOR CONTRACTORS**

Moved by Councilor Lantz and supported by Councilor Varda to direct City Attorney Bryan Lindsay to bring forth an Ordinance change to address the verbiage for the \$250.00 fine for the Brush Pile & Compost Site Policy for Contractors.

Voting Aye: All

Motion Carried

**GAMBLING PERMIT APPLICATION FOR ST. JOSEPH'S CATHOLIC CHURCH**

Moved by Councilor Vake and supported by Councilor Lantz to approve the gambling permit application for St. Joseph's Catholic Church for a raffle event to be held on October 28, 2020.

Voting Aye: All

Motion Carried

**VERBAL REPORT 1<sup>ST</sup> YEAR OF POLICE SERVICES TO THE CITY OF BUHL  
APPOINT COMMITTEE & SCHEDULE A JOINT MEETING WITH  
REPRESENTATIVES FROM THE CITY OF BUHL FOR 2021 SERVICES**

Moved by Councilor Campbell and supported by Councilor Lantz to appoint Mayor John Champa, Police Chief Vern Manner, Public Works Supervisor Larry Folstad and Administrator Bill Manney to serve as committee members and to schedule a joint meeting with the City of Buhl's Administrator Ryan Pervenanze and Mayor John Klarich to discuss a 3 - 4 percent fee increase for 2021 to provide Law Enforcement Services to Buhl. Police Chief Vern Manner gave a verbal report to the council and explained his staff has been spending an average of 4.5 hours per day at a cost of \$52.00 per hour to provide law enforcement services for Buhl.

Voting Aye: All

Motion Carried

**ACCEPT BIDS & AWARD CONTRACT FOR THE SKATING RINK BUILDING**

Moved by Councilor Campbell and supported by Councilor Vake accept the low bid of \$33,780.00 from Bougalis, Inc. for the construction of the new skating rink building. Recreation Director Tammy Nevalainen explained the bid came in \$10,000.00 over budget. The motion and support included allowing Administrator Manney to move funds from the Recreation Department's budget to cover the amount over budget of \$10,000.00. The funds are available due to the cancellation of the summer recreation program because of COVID-19.

Voting Aye: All

Motion Carried

**RESOLUTION NO. 0820-64 MUNICIPAL STATE AID STREET FUNDS ADVANCE**

Moved by Councilor Fountain and supported by Councilor Campbell to adopt Resolution No. 0820-64 to apply for supplemental Municipal State Aid Street Funds in the amount of \$1,254,404.00 at a zero (0) percent interest rate for five (5) years.

Voting Aye: All

Motion Carried

**SHORT, ELLIOTT & HENDRICKSON (SEH) INC.  
FEE AMENDMENT FOR 3<sup>RD</sup> STREET NW PROJECT**

Moved by Councilor Campbell and supported by Councilor Fountain to approve the fee amendment from SEH, Inc. at an additional cost not to exceed \$10,315.00 for additional services provided on the 3<sup>rd</sup> Street NW Improvement Project.

Voting Aye: All

Motion Carried

**RESOLUTION NO. 0820-65 ACCEPT BIDS & AWARD CONTRACT  
FOR THE 3<sup>RD</sup> STREET NW INFRASTRUCTURE REPLACEMENT PROJECT**

Moved by Councilor Campbell and supported by Councilor Lantz to adopt Resolution No. 0820-65 to accept bids and award the contract to Mesabi Bituminous, Inc. of Gilbert, MN for \$1,624,180.95 for the 3<sup>rd</sup> Street NW Infrastructure Improvement Project.

Voting Aye: All

Motion Carried

**PARTIAL PAY APPLICATION NO. 4 FOR THE 13<sup>TH</sup> STREET / 5<sup>TH</sup> AVENUE NW PROJECT**

Moved by Councilor Fountain and supported by Councilor Lantz to approve Payment Application No. 4 from Mesabi Bituminous, Inc. for the amount of \$97,715.38 for work completed on the 13<sup>th</sup> Street / 5<sup>th</sup> Avenue NW Project.

Voting Aye: All

Motion Carried

**JPJ, INC. CHANGE ORDER NO. 2 FOR THE  
SE CHISHOLM WATER MAIN LOOP PROJECT**

Moved by Councilor Campbell and supported by Councilor Varda to approve Change Order No. 2 for the SE Chisholm Water Main Loop Project No. 19-676 for the amount of \$10,167.88.

Voting Aye: All

Motion Carried

**PARTIAL PAY APPLICATION NO. 2 FOR THE SE CHISHOLM WATER MAIN LOOP PROJECT**

Moved by Councilor Varda and supported by Councilor Lantz to approve Payment Application No. 2 from TNT Aggregates, LLC for the amount of \$16,502.34 for work completed on the SE Chisholm Water Main Loop Project.

Voting Aye: All

Motion Carried

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**RECOMMENDATION FOR 2021 STIPEND FOR FIRE DEPARTMENT OFFICERS**

Moved by Councilor Varda and supported by Councilor Campbell to approve a monthly stipend for the Fire Department Officers for 2021 as follows: Assistant Chief \$300.00; Captains (2) \$200.00; Lieutenants (2) \$100.00 and Safety Officers (2) \$50.00 for a total amount of \$850.00 per month.

Voting Aye: All

Motion Carried

**RESOLUTION NO. 0820-66 APPOINT ADAM LANTZ TO SERVE  
AS COUNCIL LIAISON TO THE CHISHOLM VOLUNTEER FIRE DEPARTMENT**

Moved by Councilor Campbell and supported by Councilor Varda to adopt Resolution No. 0820-66 to appoint Council Member Adam Lantz to serve as the Council liaison to the Chisholm Volunteer Fire Department until December 31, 2020. Council Member Jim Varda resigned from his appointment as the liaison to the fire department due to his upcoming retirement from the Chisholm Volunteer Fire Department on September 1, 2020.

Voting Aye: All

Motion Carried

**CHISHOLM CHAMBER CASH INITIATIVE**

Moved by Councilor Vake and supported by Councilor Lantz to authorize payment of \$7,250.00 to the Chisholm Chamber of Commerce to be allocated for the Chisholm Chamber of Commerce Cash Business Promotion. These funds may fall under the CARES Act Funding for COVID-19.

Voting Aye: All

Motion Carried

**SCHEDULE WORKING SESSION WITH THE MN DISCOVERY CENTER,  
DISCUSS CARES ACT FUNDING & THE PUBLIC SAFETY BUILDING**

Moved by Councilor Vake and supported by Councilor Varda to schedule a working session for Wednesday, September 2, 2020 at 5:30 p.m. to meet with representatives from the MN Discovery Center regarding the Redhead Mountain Bike Trail Park and future joint ventures; the CARES Act Funding and the Public Safety Building. Councilor Vake amended his motion to change the time from 5:30 p.m. to 5:00 p.m.

Voting Aye: All

Motion Carried

**COVID-19 PLAN FOR THE ARENA**

Moved by Councilor Vake and supported by Councilor Lantz to approve the COVID-19 Plan for the arena.

Voting Aye: All

Motion Carried

**ELECTION PROCESS OVERVIEW & ABSENTEE BALLOTS**

Administrator Manney presented the council with an overview of how the election process for voting absentee, by mail or early voting. Absentee voting begins on September 18, 2020 for the General Election which will be held on Tuesday, November 3, 2020. This was an informational item at this time.

**MISCELLANEOUS ITEMS**

1. Mayor Champa asked Administrator Manney when the first budget meeting will be held. Administrator Manney said his goal is to get a draft of the 2021 budget to the council for their review, prior to the second council meeting in September when they will set the initial levy.

**ADJOURN MEETING**

Moved by Councilor Campbell and supported by Councilor Lantz to adjourn the regular meeting at 8:19 p.m.

Voting Aye: All

Motion Carried

/s/ John A. Champa,

\_\_\_\_\_  
Mayor

Attest:

/s/ William Manney, \_\_\_\_\_  
City Clerk-Treasurer/Administrator