

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, JANUARY 23, 2006 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the January 3, 2006 Regular Meeting (#1-10)
 - B. Communications (#52-58)
 - C. Receipts
 - D. Bills and Payroll
- III. Public Forum
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. Board Appointments (#11)
 - 2. Graduation Party (#12)
 - 3. Open Contract with AFSCME (#13)
 - 4. Set Closed Meeting (#14)
 - 5. Advertise Meeting Broadcasts (#15)
 - B. City Administrator's Report
 - 1. Non-Audit Services Letter (#16-17)
 - C. Director of Public Works Report (#18)
 - D. Director of Parks and Recreation Report
 - 1. Kinross Blight (#19)
 - E. City Attorney's Report
 - F. Sheriff's Department Report (#20)
 - G. City Engineer's Report
 - H. Liaison Reports
- V. Unfinished Business
 - A. Taping of City Council Meetings (#21-22)
- VI. New Business
 - A. Resolution Number 01-06 Charitable Gambling (#23-27)
 - B. Resolution Number 02-06 Amending Development Agreement (#28-32)
 - C. Change Order Number 4 (#33-39)
 - D. Pay Request Number 5 (#39-42)
 - E. MCFOA Conference (#43-45)
 - F. Community Center Fees (#46)
 - G. IRR Grant for P&H (#47)
 - H. Tailings Basin Discharge (#48)
 - I. State Auditor Commentary (#49-51)
 - J. Communications (#52-58)
- VII. Open Discussion
- VIII. Announcements
- IX. Adjourn

Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
REORGANIZATIONAL MEETING
JANUARY 3, 2006

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Allen Nelson, Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Larry Nanti, Recreation Director; Tom Cvar, Fire Chief; Steve Norvitch, Assistant Fire Chief; and Rod Flannigan, City Engineer (entering at 6:45 p.m.).

The Mayor welcomed the audience members present and the MediaCom viewing audience.

The Mayor opened the meeting by stating that this meeting marks his fourth year that he has served the City as Mayor. He stated that it has been an honor and a privilege to serve the City of Mountain Iron. The Mayor reviewed the previous three years. He stated that the financial condition of the City is sound considering the loss of local government aid funds. He said that he views 2006 as a good year for the City, with the 1950 Carnegie library being renovated and the project being completed by the end of the 2006. He said that there have been some updates and modernization to Locomotive Park, along with it being designated as a Trail Head for the Mesabi Trail. He said that the City received notification of a TEA 21 federal enhancement grant for the downtown area for streetscape and vintage lighting, but the funding would not be available until 2007. In the South Grove area, with the playground equipment would be upgraded, the work would be completed in 2006, with a portion of the funding for the playground equipment coming from a grant from Saint Louis County in the amount of \$20,000. The Economic Development Authority has been working actively on economic development projects with some projects on the horizon. He also said that the City Council has adopted a resolution for a purchase agreement with the Mountain Iron-Buhl School District, so the City can continue to develop the area west of Unity Addition. The Mayor also stated that the Council is quite a diverse group and he requested that the Council refrain from personnel attacks and stick to the facts. The Mayor requested the Council to have a positive and productive meeting.

It was moved by Skalko and supported by Nelson that the consent agenda be approved as follows:

1. Approve the minutes of the December 19, 2005, City Council meeting as submitted.
2. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period December 16-31, 2005, totaling \$562,810.61, (a list is attached and made a part of these minutes).
4. To authorize the payments of the bills and payroll for the period December 16-31, 2005, totaling \$410,814.15, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

No one spoke during the public forum.

It was moved by Skalko and supported by Prebeg to appoint Allen Nelson as Deputy Mayor for 2006. The motion carried.

It was moved by Skalko and supported by Prebeg to appoint Sam Aluni, The Trenti Law Firm, as the City Attorney for 2006. It was moved by Irish and supported by Roskoski to amend the motion to add Larry C. Minton for personnel and contract legal issues. The **amendment to the motion failed** with Nelson, Prebeg and Skalko voting no. The motion carried with Irish and Roskoski voting no.

It was moved by Skalko and supported by Nelson to appoint Rod Flannigan, Benchmark Engineering, as the City's Engineer for 2006. The motion carried.

It was moved by Skalko and supported by Prebeg to appoint the Mesabi Daily News as the official newspaper for the City of Mountain Iron for 2006. The motion carried.

It was moved by Skalko and supported by Nelson to set the official meeting times for the regular City Council meetings at 6:30 p.m. on the first and third Mondays of the month for 2006. The motion carried

It was moved by Skalko and supported by Prebeg to designate the City's official depositories as the American Bank, Queen City Federal, Wells Fargo Bank, U. S. Bank, Twin City Federal, League of Minnesota Cities 4M Fund, Miller Johnson Steichen Kinnard, Inc., Smith Barney, Inc., Northland Securities, and First National Bank of Buhl for 2006. The motion carried.

It was moved by Skalko and supported by Roskoski to re-appoint Ray Saari, Steve Giorgi, and Margaret Soyring to the Planning and Zoning Commission with their terms expiring on December 31, 2008; and, Joe Matanich and Sue Tuomela to the Utility Advisory Board with their terms expiring on December 31, 2008; and, Jerry Kujala and Dennis Benz to the Parks and Recreation Board with their terms expiring on December 31, 2008; and, Bob Voss to the Economic Development Authority with his term expiring on December 31, 2010. The motion carried.

The Mayor informed the Council that the next Labor-Management meeting would be held on Tuesday, January 10, 2006 at 2:00 p.m.

The Mayor informed the Council that he was invited to a Mayors' luncheon with Representative Oberstar on January 12, 2006 at 1:00 p.m. in Virginia.

The Mayor clarified the process involved in obtaining grants for the Mountain Iron Public Library. He stated that the City received two grants for the library renovation project. The first grant was a Community Development Block Grant (CDBG) through Saint Louis County in the amount of \$50,000. He said this grant was federal money distributed through Saint Louis County. The City Council made a resolution approving the CDBG application; then it went to the Library Board; then the City Administrator wrote the grant; then the application

went to the CDBG Director for approval; then to a Citizen's Advisory Board for approval; then the Saint Louis County Board for approval; and then the application went to Washington, D.C. to get the approval of HUD. The Mayor said that this is a very complex process and it involves numerous individuals and agencies. The Mayor stated that the second grant that the City received for the library renovation was a State ADA Grant for \$113,500; again this grant had to go through the same steps as the previously outlined grant application and also hold a public hearing and have the Arrowhead Library System officials sign off on the grant application.

The Mayor updated the Council and stated that when the City of Mountain Iron annexed Nichols Township in 1972, Merritt Industrial Park was zoned Industrial. The Ann's Acres Addition was developed in the early to mid 1960's and the area to the east was already zoned Industrial when Mr. Kintner developed the Ann's Acres housing addition. The Mayor pointed this out due to the recent blight complaints.

It was moved by Skalko and supported by Prebeg to make a directive to the Library Board to begin prioritizing their wants (carpeting, air conditioning, etc.) to complete the library renovation project. After further discussion, Skalko amended the motion and Prebeg supported the amendment to add to make a recommendation regarding colors and types. The amended motion carried.

It was moved by Skalko and supported by Prebeg to approve the amendment to the Surface Lease 13304 for a one year extension of the lease for the rock sign located on the northwest corner of Highway 53 and Old Highway 169 in the amount of \$150.00 for 2006, (a copy is attached and made a part of these minutes). The motion carried unanimously on a roll call vote.

Councilor Roskoski asked the City Administrator why a hydraulic excavator was working across from the General Electric Offices off of Mineral Avenue. The City Administrator said that a potential developer was completing some soil testing in the area. The City Administrator stated that the City was not paying for this testing.

Councilor Roskoski asked the Director of Public Works what the process was for the City to pick up pallets and wooden crates from Mountain Iron businesses. The Director of Public Works stated that the City Refuse Department picks up pallets every Thursday at no charge to the businesses. The Director of Public Works said that the Utility Advisory Board was currently reviewing the situation to determine if the collection should continue.

The Recreation Director reported that the warm weather has been a problem with the quality of the skating rinks.

It was moved by Skalko and supported by Prebeg to refer the Fire Department Officer's wage increase proposal to the Personnel Committee for review and a recommendation. The motion carried.

The Fire Chief informed the Council that the NIMS Training would be held on Monday, January 9, 2006 at 6:00 p.m. He said that he highly recommends that all City Council, all

Management Staff, and the Municipal Services Secretary attend the training to fulfill the requirements for the training.

It was moved by Skalko and supported by Prebeg to accept the Memorandum of Understanding between AFSCME Local 453 and the City of Mountain Iron, (a copy is attached and made a part of these minutes). It was moved by Irish and supported by Roskoski to amend the motion to send the Memorandum of Understanding back to the City Attorney for clarification to see if a conflict of interest exists. The **amendment to the motion failed** with Nelson, Prebeg and Skalko voting no. The motion carried with Roskoski and Irish voting no.

It was moved by Prebeg and supported by Nelson to approve the WWTP Operator Job analysis, (a copy is attached and made a part of these minutes), and authorize the Personnel Committee to begin the hiring process and bring a recommendation back to the City Council for final approval.

At 7:58 p.m., the Mayor called a recess.

At 8:02 p.m., the Mayor reconvened the meeting.

The motion carried with Roskoski and Irish voting no.

It was moved by Prebeg and supported by Skalko to direct City Staff to look into possible grant funding and other resources to maintain the Wastewater Treatment Plant. The motion carried.

Councilor Roskoski brought up the Johnson area blight situation. Mr. Wilbert Johnson, 5621 Nichols Avenue, was present and stated that he would relax his complaint until Spring. Councilor Roskoski questioned whether running a business at 5619 Nichols Avenue would be a violation of the Zoning Ordinance. The Council directed the Blight Officer to check with the Zoning Administrator to check the setback for a building located at 5619 Nichols Avenue and a business being operated there.

It was moved by Prebeg and supported by Skalko to reschedule the next regular meeting to January 23, 2006 at 6:30 p.m. The motion carried.

It was moved by Skalko and supported by Irish to contribute \$100 to the Mountain Iron-Buhl High School, Class of 2006 All Night Chemical Free Graduation Party. The motion carried.

The Council discussed the taping of the Council meetings. The Recreation Director informed the Council that the Cable TV Commission would be meeting on January 6th to discuss the taping of the City Council meetings.

It was moved by Roskoski and supported by Nelson, that because of the lack of a crosswalk over the two Canadian National railroad tracks, the sidewalk addition along Unity Drive by Duane's Marine be forwarded to the Street and Alley Committee for review and a possible recommendation on how to proceed. The motion carried.

The Mayor asked if a meeting had been set up with the City of Virginia to discuss 16th Avenue. The City Administrator said that Virginia Officials have been contacted, but no meeting was set. The Mayor reminded City Staff that the Street and Alley Committee are to review the proposed street assessment rates, 16th Avenue, a street sign request in Kinross, a speed limit sign on Enterprise Drive North, and 2006 street improvement projects.

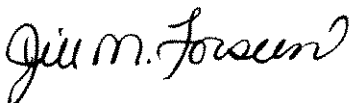
The Council reviewed the list of communications. Councilor Prebeg asked why Councilor Irish had contacted Attorney Minton. The Mayor stated that he had given Councilor Irish permission to speak to Attorney Minton. Councilor Prebeg asked if Councilor Irish had permission to request an opinion and review of documentation from Attorney Minton. Councilor Prebeg stated that a motion regarding the matter would be coming forth. Councilor Irish felt that the Personnel Committee should have contacted the lawyer regarding the recent retirement benefits of an employee, as this would have saved the City a considerable amount of money.

During the open discussion, Councilor Roskoski had a handout prepared by the League of Minnesota Cities he furnished to the City Council regarding what the Council can and can't do.

The Mayor advised the Council that the Council Members need to remain objective and not be so negative by looking for things going wrong.

At 8:34 p.m., it was moved by Roskoski and supported by Skalko that the meeting be adjourned. The motion carried.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. Larry C. Minton, of the Law Offices of Larry C. Minton, Ltd., a letter to Mayor Skalko concerning the telephone conversation he had with Councilor Irish.
2. Kate Brady, Site Coordinator for TechNorth Prep Center Network, a letter to Mayor Skalko concerning the Get Broadband Community Grant program and requesting support from the City.
3. Coalition of Greater Minnesota Cities, December 22, 2005 memo.
4. Councilor Dale Irish, a letter to Mayor Skalko clarifying his actions at the last City Council meeting.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	109,026.34
LICENSES	LIQUOR	1,850.00
BUILDING RENTALS	NICHOLS HALL	20.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	550.00
BUILDING RENTALS	COMMUNITY CENTER	435.00
MISCELLANEOUS	MISC. INCOME-ELECTRIC ACCT	79,500.00
MISCELLANEOUS	REIMBURSEMENTS	19,099.00
BUILDING RENTALS	SENIOR CENTER	20.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	29,777.61
MISCELLANEOUS	ASSESSMENT SEARCHES	10.00
FINES	CRIMINAL	837.51
METER DEPOSITS	ELECTRIC	400.00
INTERGOVERNMENTAL REVENUE	LOCAL GOVERNMENT AID	263,123.50
INTERGOVERNMENTAL REVENUE	MISCELLANEOUS STATE AID	49,449.53
TAXES	PENALTIES & INTEREST	8,707.12
LICENSES	ANIMAL	5.00
Summary Totals:		<u>562,810.61</u>

Check Issue Date(s): 12/24/2005 - 01/06/2006

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
01/06	01/04/2006	32699	10021	ARROWHEAD LIBRARY SYSTEM	002-20200	250.00
01/06	01/04/2006	32700	10014	ARROWHEAD REG FIREFIGHTERS'	002-20200	60.00
01/06	01/04/2006	32701	5007	ASSURANT EMPLOYEE BENEFITS	002-20200	649.48
01/06	01/04/2006	32702	20022	BENCHMARK ENGINEERING INC	002-20200	23,375.50
01/06	01/04/2006	32703	1040	DAN CARLE	002-20200	100.00
01/06	01/04/2006	32704	60006	FISHER PRINTING	002-20200	288.38
01/06	01/04/2006	32705	90002	INGRAM BOOK COMPANY	002-20200	499.10
01/06	01/04/2006	32706	30023	J P COOKE COMPANY	002-20200	52.84
01/06	01/04/2006	32707	110013	JERRY D KUJALA	002-20200	384.36
01/06	01/04/2006	32708	120032	LAKE COUNTRY POWER	002-20200	130.00
01/06	01/04/2006	32709	120004	LITERARY GUILD	002-20200	194.64
01/06	01/04/2006	32710	1039	MARCELLA HOLM	002-20200	50.00
01/06	01/04/2006	32711	1038	MARILYN NYGAARD	002-20200	100.00
01/06	01/04/2006	32712	130009	MINNESOTA POWER	002-20200	138,204.88
01/06	01/04/2006	32713	130038	MOUNTAIN IRON-BUHL HIGH SCHOOL	002-20200	100.00
01/06	01/04/2006	32714	140012	NATIONAL GEOGRAPHIC SOCIETY	002-20200	15.90
01/06	01/04/2006	32715	140004	NORTHERN ENGINE & SUPPLY INC	002-20200	32.88
01/06	01/04/2006	32716	40032	OFFICE OF ENTERPRISE TECHNOLOG	002-20200	383.65
01/06	01/04/2006	32717	170001	QWEST	002-20200	99.83
01/06	01/04/2006	32718	180029	RGGS LAND & MINERALS, LTD., LP	002-20200	150.00
01/06	01/04/2006	32719	1037	SHIRLEY SAVELA	002-20200	50.00
01/06	01/04/2006	32720	190033	STAR TRIBUNE	002-20200	358.80
01/06	01/04/2006	32721	200031	TASTE OF HOME BOOKS	002-20200	47.96
01/06	01/04/2006	32722	200028	TRI CITIES BIOSOLIDS DISPOSAL	002-20200	4,813.70
01/06	01/04/2006	32723	210007	U S BANK TRUST NATIONAL ASS'N	002-20200	177,035.00
01/06	01/04/2006	32724	220025	VERIZON WIRELESS, BELLEVUE	002-20200	27.04
01/06	01/04/2006	32725	230027	WELLS FARGO BANK	002-20200	62.50
01/06	01/04/2006	32726	230007	WORLD MEDIA EXPRESS	002-20200	110.68
Totals:						347,607.12
Payroll-PP Ending 12/30/05						53,835.45
Electronic Trans.-Sales Tax						9,371.58
TOTAL EXPENDITURES						<u>\$410,814.15</u>



AMERICAN FEDERATION OF
STATE, COUNTY & MUNICIPAL EMPLOYEES
AFL - CIO
MINNESOTA COUNCIL NO. 65

118 CENTRAL AVENUE • NASHWAK, MINNESOTA 55769
PHONE (218) 885-3242 • FAX (218) 885-3245 • TOLL FREE 1-888-474-3242



December 20, 2005



Mr. Craig Wainio
City Administrator
8586 Enterprise Drive South
Mt. Iron, MN 55768

Re: MEMORANDUM OF UNDERSTANDING - AFSCME LOCAL 453

Dear Mr. Wainio:

This document shall serve as an addendum to the current AFSCME Local 453 labor agreement and shall be enforceable and have full effect as any other term and condition of the Agreement, upon approval and signature by the parties to the Agreement.

MEMORANDUM OF UNDERSTANDING
between
AFSCME LOCAL 453
and
CITY OF MOUNTAIN IRON, MN.

WHEREAS, the parties to the Agreement, i.e. City of Mt. Iron, hereinafter referred to as the "Employer", and AFSCME Local 453, MN. Council 65, hereinafter referred to as the, "Union", have determined that a clarification of existing contract language is both necessary and required as a result of recent legal interpretations,

WHEREAS, the Employer and the Union have agreed that the parties negotiated the language found in Appendix D, Section A. in good faith, with the same intent, but with ambiguous language,

THEREFORE, the parties to the Agreement, heretofore will consider this Memorandum of Understanding as being an amendment to the contract specifically Appendix D, Section A, and it shall be enforceable as any other Article of the Agreement, by both parties. The current language reads as follows:

Effective May 1, 2000, all employees who have twenty (20) years of continuous employment with the City of Mt. Iron and who have reached a retirement age acceptable to the MN. Public Employees Retirement Association, Federal Social Security, and/or a retirement age limit set up by the City of Mt. Iron shall, upon retirement from active duty with the City, continue to be insured under the then existing hospitalization and medical program covering

active employees of the City and their dependents.

THE ADDED LANGUAGE SHALL BE:

For purposes of clarity and legal interpretation, the phrase, "reached a retirement age acceptable to the MN. Public Employees Retirement Association", shall be defined as any single one of the following minimum requirements as found in PERA regulations:

- A.) *You are at least age 55*
- B.) *You have thirty (30) or more years of service, regardless of age (if hired prior to July 1, 1989*
- C.) *Your age plus years of public service total at least 90 (Rule of 90), if you were hired prior to July 1, 1989.*

The parties to the Agreement heretofore agree by signatures below to the terms and conditions as stated herein.

On Behalf of the City of Mt. Iron,


On Behalf of the Union,



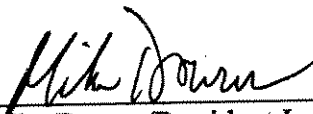
Gary Skalko/ Mayor



Steve Giorgi/AFSCME Business Agent



Craig Vainio/ City Administrator



Mike Downs/President Local 453

1/3/06
Dated

CITY OF MOUNTAIN IRON POSITION ANALYSIS

POSITION TITLE: WWTP Operator

SUPERVISOR: Director of Public Works

PRIMARY OBJECTIVE OF POSITION:

The primary objective of this position is to operate and maintain the water and wastewater treatment plants including related facilities.

RESPONSIBILITIES:

- ◆ Performs routine facility checks required for continued operations.
- ◆ Checks each lift station daily to ensure proper operation.
- ◆ Performs preventive maintenance and repairs on equipment as required.
- ◆ Performs all lab tests as required, calibrates and ensures proper operation of lab instruments.
- ◆ Maintains facility appearance and continuity of operations.
- ◆ Performs operational and/or chemical changes.
- ◆ Other duties as apparent or as delegated.

KNOWLEDGE, SKILLS AND ABILITIES:

- ◆ Ability to deal with details and equipment requiring patience, good judgement.
- ◆ Ability to work a varied schedule.
- ◆ Knowledge of water and wastewater treatment rules, codes, ordinances and safety requirements.
- ◆ Knowledge of the operation and maintenance of water and wastewater plants.
- ◆ Knowledge of the basic operation and maintenance of the various City equipment.

TRAINING AND EXPERIENCE:

- ◆ High School Education, with advanced education preferred, with emphasis in water and wastewater technology and related issues.
- ◆ Class C water and Class C wastewater treatment licenses.
- ◆ Valid Drivers License with the ability to obtain a Class B Commercial Drivers License prior to the expiration of the probationary period.
- ◆ Minimum of three years experience in water and/or wastewater treatment field.

WORKING ENVIRONMENT:

- ◆ Ability to lift 50 pounds.
- ◆ Ability to enter confined spaces according to confined space protocols, climb a ladder and work in close quarters.
- ◆ Ability to face fit a SCBA unit.
- ◆ Ability to withstand exposure to chemicals, solvents and noisy environment.
- ◆ Physically capable of performing functions necessary for successful performance of duties under varied inside and outside weather conditions.

COUNCIL LETTER 012306-IVA1

MAYOR SKALKO

COMMISSION APPOINTMENTS

DATE: January 18, 2006

FROM: Mayor Skalko

Craig J. Wainio
City Administrator

Mayor Skalko requested that this item be placed on the Agenda with the following background information:

Commission Appointments:

- | | | |
|-------------------------------|----------------|---|
| 1.) Library Board: | Alan Stanaway | (3 year term to expire December 31, 2008) |
| 2.) Parks & Recreation Board: | Julie Dale | (2 year term to expire December 31, 2007) |
| 3.) Utility Advisory Board: | Scott Williams | (1 year term to expire December 31, 2006) |

ccw8
Add
Agenda
TO

MOUNTAIN IRON-BUHL HIGH SCHOOL



CLASS OF 2006

January 8, 2006

The Honorable Mayor
Gary Skalko
8586 Enterprise Drive South
Mountain Iron, MN 55768

Dear Mayor Skalko and City Council Members:

The parents of the Mountain Iron-Buhl Class of 2005, will be honoring our graduating seniors with the annual All-Night Chemical Free Graduation Party on June 1, 2006 to be held at the Mountain Iron Community Center. Ms. Joan Bond paid the \$100.00 deposit with a personal check to reserve the hall.

We are requesting that you and the city council waive the facilities fee for the use of the Mountain Iron Community Center on June 1, 2006 for this graduation party and refund the deposit fee already paid to:

Ms. Joan Bond,
5429 Daisy Avenue
Virginia, MN 55792.

Thank you for helping us make this a safe and memorable night for our graduates.

Sincerely,

Rochelle Engman

Rochelle Engman-Treasurer
2006 All Night Grad Party

COUNCIL LETTER 012306-IVA3

MAYOR SKALKO

CONTRACT NEGOTIATIONS

DATE: January 18, 2006

FROM: Mayor Skalko

Craig J. Wainio
City Administrator

Mayor Skalko requested that this item be placed on the Agenda with the following background information:

Open contract negotiations with AFSCME Local Union #453.

COUNCIL LETTER 012306-IVA4

MAYOR SKALKO

SET DATE FOR MEETING

DATE: January 18, 2006

FROM: Mayor Skalko

Craig J. Wainio
City Administrator

Mayor Skalko requested that this item be placed on the Agenda with the following background information:

Set date for Closed Meeting regarding contract negotiations.

COUNCIL LETTER 012306-IVA5

MAYOR SKALKO

ADVERTISEMENT

DATE: January 18, 2006

FROM: Mayor Skalko

Craig J. Wainio
City Administrator

Mayor Skalko requested that this item be placed on the Agenda with the following background information:

Advertise the times and channel for the City Council meeting broadcasts in the Mesabi Daily News.

WALKER, GIROUX & HAHNE, LTD
225 1ST STREET N SUITE 2400
P.O. BOX 960
VIRGINIA, MN 55792
218-749-4880 FAX 218-749-8528

TO: CRAIG WAINIO
FROM: PATTY SABIE
DATE: January 9, 2006

CITY OF MOUNTAIN IRON "NONAUDIT SERVICES" LETTER

Craig,

Enclosed please find a copy of the letter that we are required to have on file to document that you have been designated by the Council to oversee, monitor, accept responsibility and evaluate the "nonaudit services", which include preparation of the financial statements and notes to the financial statements to be included in the audit.

Please have the mayor or a council member sign the letter also, and return to our office.

Please call if you have questions.

Thank you,

Patty Sabie

NONAUDIT SERVICES

Nonaudit services performed by Walker, Giroux & Hahne, Ltd. (check applicable items):

1. Preparing a trial balance based on entity management's chart of accounts.
2. Maintaining depreciation schedules for which entity management has determined the method and rate of depreciation and salvage value of the assets.
3. Preparing draft financial statements based on entity management's chart of accounts and trial balance and any adjusting, correcting, and closing entries that have been approved by entity management.
4. Preparing draft notes to the financial statements based on information determined and approved by entity management.

With regard to the above nonaudit services performed by Walker, Giroux & Hahne, Ltd. during the audit of City of Mountain Iron, Minnesota for the year ended December 31, 2005, I confirm the following:

1. I have been designated by the City of Mountain Iron, Minnesota to be responsible and accountable for overseeing the nonaudit services.
2. I have monitored the performance of the nonaudit services.
3. I have made all decisions that involved entity management functions related to the nonaudit services and accepted full responsibility for those decisions.
4. I have evaluated the adequacy of the services performed.

CRAIG J WAINIO City Administrator
Printed Name and Title

Signature

CRAIG J WAINIO has been designated by the City of Mountain Iron, Minnesota to be responsible and accountable for overseeing the above nonaudit services.

GARY SKALKO Mayor
Printed Name and Title

Signature

COUNCIL LETTER 012306-IVC

PUBLIC UTILITIES

**CLASS C WATER SUPPLY
SYSTEM OPERATOR**

DATE: January 18, 2006

FROM: Don Kleinschmidt
Director of Public Works

Craig J. Wainio
City Administrator

The following are the requirements to become a Class C Water Supply Systems Operator. In order to become certified an applicant must:

- 1) Demonstrate that he or she possess the skill, knowledge, experience and education that a person must have to operate a specified class of system successfully, to maintain it economically, to safeguard the public health and protect the waters of the state, and
- 2) Have passed an examination, and
- 3) An applicant must have a high school diploma or equivalent with a minimum of three years of experience in the operation of Class A, B, C, or D, or a bachelors degree in an appropriate branch of engineering or in a physical or biological science, and submit satisfactory evidence of at least one year of responsible experience in the operation of a Class A, B, C, or D system.

The following are the requirements to become a Class C Wastewater Treatment Plant Operator. In order to become certified, an applicant must demonstrate the following:

- 1) An applicant must have a high school diploma or equivalent with a minimum of three years of experience in the operation of Class A, B, C, or D wastewater treatment facility, or a bachelors degree from an accredited institution in chemical, civil, environmental, mechanical or sanitary engineering, or in a physical or biological science, and submit satisfactory evidence of at least one year of responsible experience in the operation of a Class A, B, C, or D wastewater treatment facility, or similar industrial facility.

COUNCIL LETTER 012306-IVD1

BLIGHT OFFICER

NUISANCE PROBLEM IN KINROSS

DATE: January 18, 2006

FROM: Larry Nanti
Director of Parks & Recreation & Blight Officer

Craig J. Wainio
City Administrator

The Mountain Iron City Attorney and Staff are requesting that the City Council authorize calling for quotes for the clean-up of the burned out property in Kinross. Upon receiving the proposals, this information will be then forwarded to County Wide Homes, the owner of record.

Mr. Aluni will be at the Council meeting on the 23rd of January to answer any questions.



Saint Louis County

Office of the Sheriff - 100 North 5th Avenue West, Room 103 • Duluth, Minnesota 55802
Phone: (218) 726-2337 - Fax: (218) 726-2171

Ross Litman
Sheriff

TO: Mt. Iron City Council and Mayor
FROM: Sgt. Wade Rasch
RE: December 2005 Activity Report
DATE: January 17, 2006

The St. Louis County Sheriff's Office in Mt. Iron responded to the following calls for service during the month of December. Deputies also performed 34 traffic stops while issuing 14 citations for traffic or criminal offenses and 24 traffic warnings. Several parking citations were also issued.

Calls For Service:

- 17- On views- Officer initiated contacts checking on persons, vehicles, properties
 - 16- Disturbances (Verbal arguments/Domestic/Threats)
 - 14- Public Assists (Veh. Unlocks, Civil Standby, Animal Complaints, etc.)
 - 13- Motor Vehicle Crashes
 - 12- Assists to Virginia Police Department
 - 8- Custodial Arrests
 - 8- Alarm Calls
 - 7- Assists to Virginia Sheriff's Patrol
 - 7- Medical Assists
 - 6- Suspicious/Unwanted Person
 - 2- Welfare Checks Upon Persons
 - 2- Assault
 - 4- Theft
 - 1- Pursuit
 - 1- Burglary
 - 1- Criminal Sexual Conduct
- 10- Other Miscellaneous Calls (Ex. Child Custody, Civil Disputes, Damage to Property)

Reply to:

20

Administrative Offices
100 N 5th Ave. W, Rm 103
P.O. Box 16187 Duluth, MN 55816
Phone: (218) 726-2341
Fax: (218) 726-2171

County Jail
4334 Haines Road
Duluth, MN 55811
Phone: (218) 726-2345
Fax: (218) 725-6134

Emergency Management
5735 Old Miller Trunk Hwy
Duluth, MN 55811
Phone: (218)
Fax: (218)

Sheriff's Office
300 South 5th Avenue
Virginia, MN 55792
Phone: (218) 749-7134
Fax: (218) 749-7192

Sheriff's Office
1810 12th Ave. E
Hibbing, MN 55746
Phone: (218) 262-0132
Fax: (218) 262-6334

COUNCIL LETTER 012306-VA

CABLE TV COMMISSION

PUBLIC ACCESS

DATE: January 18, 2006

FROM: Cable TV Commission

Larry Nanti
Director of Parks & Recreation

Craig J. Wainio
City Administrator

The Cable TV Commission met with Terry Hartikka concerning the Public Access Channel. (Minutes attached.)

It is the recommendation of the Commission that the City enters into an agreement to tape and rebroadcast City Council meetings at a cost of \$175.00 per meeting. This will be done using one camera only. Also discussed was to have various events broadcast at a cost of \$25.00 per event.

Funding would be through the budgeted amount of \$5,000 from the Cable Access Franchise Fee.

**CABLE TV COMMISSION MEETING
JANUARY 6, 2005
1:00 P.M.**

Those attending the meeting: Larry Nanti, Mayor Gary Skalko, Commissioner Jim Jenko, Commissioner Terry Malmstrom and Public Access Representative Terry Hartikka.

Hartikka presented the options for taping of City Council meetings:

- 1) \$200 per meeting for two camera's
- 2) \$175 per meeting for one camera.

Hartikka stressed that for \$175.00 - no editing or sound enhancement will be done. He urged that all those should have microphones on when speaking. A cordless microphone should be made available to those not wanting or able to stand at the podium.

It was the recommendation of the Commission to use the \$175 option with one camera, have a cordless microphone from the City available and to remind Councilors and Staff to use the microphone at all times.

The second portion of the Public Access TV would be to have Mountain Iron events played on Channel 5 or 12. The cost would be \$25.00 per event. The events are recommended to be professionally taped and when possible, to have a play by play of the sports events.

Hartikka recommended the City contact Tom Moeller to see if he would be able to tape events. The cost would be covered by sponsors that Mr. Moeller would acquire.

It was the consensus to have events played back and to contact Mr. Moeller for additional information.

The amount budgeted for Cable TV broadcasting is \$5,000. \$3,600 would be used for City Council meeting and the additional \$1400 would be used for varied programs at a cost of \$25.00 broadcast fee for each event.

A sample contract was provided that the City can alter, then consider for approval.

Hartikka also informed the Commission that Virginia, Eveleth, Fayal and Gilbert have formed a Joint Powers Commission and that Mountain Iron could be included in this once approved. Virginia will act as the fiscal agent.

There being no further business, the meeting was adjourned.

Submitted by:

Larry Nanti
Director of Parks & Recreation

COUNCIL LETTER 012306-VIA

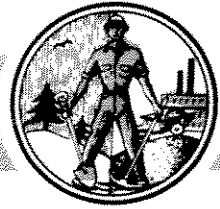
ADMINISTRATION

RESOLUTION 01-06

DATE: January 18, 2006
FROM: Craig J. Wainio
City Administrator

Resolution Number 01-06 is approving a Premise Permit for Chicagami at BG's Bar and Grill. The City Council is required to approve all permits which are then sent to the State of Minnesota for final approval.

It is recommended that the City Council approve Resolution Number 01-06 Charitable Gambling.



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RESOLUTION NUMBER 01-06

CHARITABLE GAMBLING

WHEREAS, the Chicagami, has applied to renew a Class B Charitable Gambling Operation Permit consisting of raffles, paddlewheels, tipboards, and pull-tabs at BGs Saloon, and;

WHEREAS, the Chicagami, is requesting that their Class B Charitable Gambling Permit be renewed.

NOW, THEREFORE, BE IT RESOLVED BY THE MOUNTAIN IRON CITY COUNCIL, that the Mountain Iron City Council hereby renews said premise permit.

DULY ADOPTED BY THE CITY COUNCIL THIS 23rd DAY OF JANUARY, 2006.

Mayor Gary Skalko

ATTEST:

City Administrator

**Chicagami
401 Roosevelt Avenue
Eveleth, MN 55734
218-744-1163**

January 10, 2006

**City Of Mountain Iron
8586 Enterprise Drive South
Mountain Iron, MN 55768-8260**

Re: Resolution needed for Renewal

To Whom It May Concern:

Please find enclosed a lease and an application for Chicagami's charitable gaming site, BG's Bar and Grill. Would you please put this on the agenda at your earliest convenience? You may mail the paperwork back to me directly.

If you have any questions, feel free to call me. Thank you in advance for your consideration.

Very truly yours,



**Lori Maki
Gaming Manager**

Encl

LG215 Lease for Lawful Gambling Activity

Organization name <i>Chicago</i>	License number <i>01983</i>		Daytime phone <i>218 744-1163</i>		
Name of leased premises <i>BG15 Bart Grill</i>	Street address <i>5494 Hwy 7</i>	City <i>Mt Iron</i>	State <i>MN</i>	Zip <i>55768</i>	Daytime phone <i>218 741-0512</i>
Name of legal owner of premises <i>Jeff + Greg Prop. Inc</i>	Business/street address <i>5494 Hwy 7</i>	City <i>Mt Iron</i>	State <i>MN</i>	Zip <i>55768</i>	Daytime phone <i>same</i>
Name of lessor (same as legal owner, write in "SAME") <i>same</i>	Business/street address	City	State	Zip	Daytime phone

Check all activities that will be conducted:
 Pull-tabs Pull-tabs with dispensing device Tipboards Paddlewheel Paddlewheel with table Bingo Bar bingo

Pull-tab, Tipboard, and Paddlewheel Rent (No lease required for raffles.)

Booth operation - sales of gambling equipment by an employee (or volunteer) of a licensed organization within a separate enclosure that is distinct from areas where food and beverages are sold.

Bar operation - sales of gambling equipment within a leased premises by an employee of the lessor from a common area where food and beverages are also sold.

Does your organization OR any other organization conduct gambling from a booth operation at this location? Yes No

If you answered **yes** to the question above, rent limits are based on the following combinations of operation:

- Booth operation
- Booth operation and pull-tab dispensing device
- Booth operation and bar operation
- Booth operation, bar operation, and pull-tab dispensing device

The maximum rent allowed may not exceed \$1,750 in total per month for all organizations at this premises.

Complete one option:

Option A: 0 to 10% of the gross profits per month. Percentage to be paid _____%

Option B: When gross profits are \$4,000 or less per month, \$0 to \$400 per month may be paid. Amount to be paid \$_____.

Option C: \$0 to \$400 per month may be paid on the first \$4,000 of gross profit. Amount to be paid \$ 400. Plus 0% to 10% of the gross profits may be paid per month on gross profits over \$4,000. Percentage to be paid 10 %

If you answered **no** to the question above, rent limits are based on the following combinations of operation:

- Bar operation
- Bar operation with pull-tab dispensing device
- Pull-tab dispensing device only

The maximum rent allowed may not exceed \$2,500 in total per month for all organizations at this premises.

Complete one option:

Option A: 0 to 20% of the gross profits per month. Percentage to be paid _____%

Option B: When gross profits are \$1,000 or less per month, \$0 to \$200 per month may be paid. Amount to be paid \$_____.

Option C: \$0 to \$200 per month may be paid on the first \$1,000 of gross profits. Amount to be paid \$_____. Plus 0% to 20% of the gross profits may be paid per month on gross profits over \$1,000. Percentage to be paid _____%

Bingo Rent

Option D: 0 to 10% of the gross profits per month from all lawful gambling activities held during bingo occasions, excluding bar bingo. Percentage to be paid _____%

Option E: A rate based on a cost per square foot not to exceed 110% of a comparable cost per square foot for leased space, as approved by the director of the Gambling Control Board. No rent may be paid for bar bingo. Rate to be paid \$_____ per square foot. The lessor must attach documentation, verified by the organization, to confirm the comparable rate and all applicable costs to be paid by the organization to the lessor.

Bar Bingo Rent

Option F: No rent may be paid for bingo conducted in a bar.

For any new bingo activity not previously included in a Premises Permit Application, attach a separate sheet of paper listing the days and hours that bingo will be conducted.

Amended Lease Only

If this is an amended lease showing changes occurring during the term of the current premises permit, both parties that signed the lease must initial and date all changes. Changes must be submitted to the Gambling Control Board at least 10 days prior to the change. Write in the date that the changes will be effective ____/____/____.

Lessor _____ Date _____ Organization _____ Date _____

LG215 Lease for Lawful Gambling Activity

Lease Term - The term of this lease agreement will be concurrent with the premises permit issued by the Gambling Control Board (Board).

Management of Gambling Prohibited - The owner of the premises or the lessor will not manage the conduct of gambling at the premises.

Participation as Players Prohibited - The lessor, the lessor's immediate family, and any agents or gambling employees of the lessor will not participate as players in the conduct of lawful gambling on the premises.

Illegal Gambling

The lessor is aware of the prohibition against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7861.0050, Subpart 3. In addition, the Board may authorize the organization to withhold rent for a period of up to 90 days if the Board determines that illegal gambling occurred on the premises and that the lessor or its employees participated in the illegal gambling or knew of the gambling and did not take prompt action to stop the gambling. Continued tenancy of the organization is authorized without the payment of rent during the time period determined by the Board for violations of this provision.

- To the best of the lessor's knowledge, the lessor affirms that any and all games or devices located on the premises are not being used, and are not capable of being used, in a manner that violates the prohibitions against illegal gambling in Minnesota Statutes 609.75, and the penalties for illegal gambling violations in Minnesota Rules 7861.0050, Subpart 3.
- Notwithstanding Minnesota Rules 7861.0050, Subpart 3, an organization must continue making rent payments, pursuant to the terms of the lease, if the organization or its agents are found to be solely responsible for any illegal gambling conducted at that site that is prohibited by Minnesota Rules 7861.0050, Subpart 1, or Minnesota Statutes 609.75, unless the organization's agents responsible for the illegal gambling activity are also agents or employees of the lessor.
- The lessor shall not modify or terminate the lease in whole or in part because the organization reported to a state or local law enforcement authority or the Board the occurrence at the site of illegal gambling activity in which the organization did not participate.

Other Prohibitions

- The lessor will not impose restrictions on the organization with respect to providers (distributors) of gambling-related equipment and services or in the use of net profits for lawful purposes.
- The lessor, person residing in the same household as the lessor, the lessor's immediate family, and any agents or employees of the lessor will not require the organization to perform any action that would violate statute or rule. If there is a dispute as to whether a violation of this provision occurred, the lease will remain in effect pending a final determination by the Compliance Review Group (CRG) of the Gambling Control Board. The lessor agrees to arbitration when a violation of this provision is alleged. The arbitrator shall be the CRG.
- The lessor shall not modify or terminate this lease in whole or in part due to the lessor's violation of the provisions listed in this lease.

Access to permitted premises - The Board and its agents, the commissioners of revenue and public safety and their agents, and law enforcement personnel have access to the permitted premises at any reasonable time during the business hours of the lessor. The organization has access to the permitted premises during any time reasonable and when necessary for the conduct of lawful gambling on the premises.

Lessor records - The lessor shall maintain a record of all money received from the organization, and make the record available to the Board and its agents, and the commissioners of revenue and public safety and their agents upon demand. The record shall be maintained for a period of 3-1/2 years.

Rent all-inclusive - Amounts paid as rent by the organization to the lessor are all-inclusive. No other services or expenses provided or contracted by the lessor may be paid by the organization, including but not limited to trash removal, janitorial and cleaning services, snow removal, lawn services, electricity, heat, security, security monitoring, storage, other utilities or services, and in the case of bar operations, cash shortages. Any other expenditures made by an organization that is related to a leased premises must be approved by the director of the Gambling Control Board. Rent payments may not be made to an individual.

Acknowledgment of Lease Terms All obligations and agreements are contained in or attached to this lease and are subject to the approval of the director of the Gambling Control Board. I affirm that the lease information is the total and only agreement between the lessor and the organization. There is no other agreement and no other consideration required between the parties as to the lawful gambling and other matters related to the lease. Any changes in this lease will be submitted to the Gambling Control Board at least 10 days prior to the effective date of the change. If a renegotiated lease is made due to a change in ownership, the new lease will be submitted within 10 days after the new lessor has assumed ownership.

List or attach other terms or conditions (must be approved by director of Gambling Control Board)

Either party may renegotiate the terms of this lease by giving the other party thirty (30) days written notice

<i>[Signature]</i>	1/3/06	<i>[Signature]</i>	1/3/06
Signature of lessor	Date	Signature of organization official (lessee)	Date
Greg Peterson Owner		Lori Berthel Gambling Mgr	
Print name and title of lessor		Print name and title of lessee	

Questions on this form should be directed to the Licensing Section of the Gambling Control Board (Board) at 651-639-4000. This publication will be made available in alternative format (i.e. large print, Braille) upon request. If you use a TTY, you can call the Board by using the Minnesota Relay Service and ask to place a call to 651-639-4000. The information requested on this form will become public information when received by the Board, and will be used to determine your compliance with Minnesota statutes and rules governing lawful gambling activities.

COUNCIL LETTER 012306-VIB

EDA

RESOLUTION 02-06

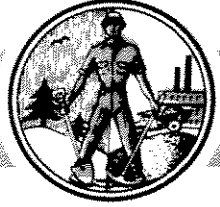
DATE: January 18, 2006

FROM: Economic Development Authority

Craig J. Wainio
City Administrator

Resolution Number 02-06 approves an amendment to the Development Agreement between the Mountain Iron EDA, City of Mountain Iron and Mount Timber. This amendment extends the closing date for the land purchase to February 28th. The EDA is considering the amendment at their January 18th regular meeting. This extension is required due to the complexity of the abstract that has to be performed.

It is recommended that the City Council adopt Resolution Number 02-06 Approving Amendment to Development Agreement.



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 02-06

APPROVING AMENDMENT TO DEVELOPMENT AGREEMENT

BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, as follows:

1. That the Amendment to Development Agreement, the form of which is attached hereto as Exhibit "A" is hereby approved and shall be executed by the Mayor and City Administrator of the City in substantially the form attached but with all such changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.
2. The City Administrator may take such other action as may be necessary or expedient to facilitate the execution and effectuation of the Amendment to Development Agreement.

DULY ADOPTED BY THE CITY COUNCIL THIS 23rd DAY OF JANUARY, 2006.

Mayor Gary Skalko

ATTEST:

City Administrator

**AMENDMENT TO
DEVELOPMENT AGREEMENT**

This AMENDMENT TO DEVELOPMENT AGREEMENT is made and entered into to be effective as of December 30, 2005, by and among the MT. IRON ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota (the "Authority"), the CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota (the "City"), and MOUNTAIN TIMBER PROPERTIES, LLC, a limited liability company duly organized and existing under the laws of the State of Minnesota (the "Developer").

In consideration of the mutual obligations of the parties hereto, and pursuant to the terms of the provisions of that certain Development Agreement by and among the parties hereto dated August 17, 2005, each them hereby covenants and agrees with the other as follows:

1. Article 3.1 of the Development Agreement is hereby amended to state as follows:

Section 3.1 The Development Property. The City or the Authority owns the Development Property and are willing to convey it to the Developer upon the terms and conditions set forth in this Agreement. Closing must take place on or prior to February 28, 2006.

2. All other terms and conditions of the Development Agreement shall remain the same.

IN WITNESS WHEREOF, the City, the Authority, and the Developer have caused this Amendment to Development Agreement to be duly executed as of the date first above written.

**MT. IRON ECONOMIC DEVELOPMENT
AUTHORITY**

By: _____
Its President

By: _____
Its Secretary

STATE OF MINNESOTA)
) ss.
COUNTY OF ST. LOUIS)

The foregoing instrument was acknowledged before me on the _____ day of _____, 200__ by Anthony Zupancich and Craig J. Wainio, the President and Secretary, respectively, of the Mt. Iron Economic Development Authority, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota on behalf of said Authority.

Notary Public



January 3, 2006

Craig Wainio, Admin.
City of Mtn. Iron
8586 Enterprise Drive South
Mtn. Iron, MN 55768

RE: Change Order No. Four
Mtn. Iron Library 2005 Renovations
Mtn. Iron, Minnesota
DSGW Project # 05007

Dear Craig:

Enclosed please find five (5) originals of Change Order No. Four (4), on the above subject project, for an **Extension of Substantial Completion Days – NO COST CHANGE**, from Lenci Enterprises.

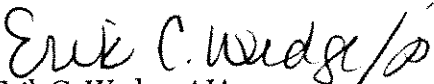
Please review and arrange for authorized signature and return all copies to our office at your earliest convenience for forwarding on to the USDA for approval.

If you have any questions, please do not hesitate to contact our office.

Thank you.

Sincerely,

DSGW Architects, Inc.


Erik C. Wedge, AIA
Architect

ECW:jp

enc.

Form RD 1924-7
(Rev. 2-97)

UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT AND
FARM SERVICE AGENCY

CONTRACT CHANGE ORDER

ORDER NO.	FOUR (4)
DATE	12/22/05
STATE	Minnesota
COUNTY	St. Louis

CONTRACT FOR Complete Construction

OWNER City of Mtn. Iron, Minnesota

To Lenci Enterprises, P. O. Box 6, Virginia, MN 55792

(Contractor)

You are hereby requested to comply with the following changes from the contract plans and specifications:

Description of Changes (Supplemental Plans and Specifications Attached)	DECREASE in Contract Price	INCREASE in Contract Price
1. Schedule extension.	\$ -0-	\$ -0-
TOTALS	\$ _____	_____
NET CHANGE IN CONTRACT PRICE	\$ -0-	-0-

JUSTIFICATION:

Date of Substantial Completion to be extended 180 days, as per the attached information from Lenci Enterprises.

The amount of the Contract will be ~~(Decreased)~~ unchanged ~~(Increased)~~ By The Sum Of: ZERO
Dollars (\$ 0.00).

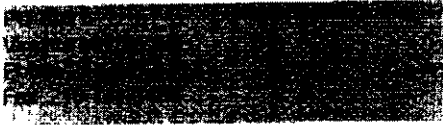
The Contract Total Including this and previous Change Orders Will Be: THREE HUNDRED THIRTY-NINE THOUSAND, THIRTY-ONE DOLLARS
Dollars (\$ 339,031.00).

The Contract Period Provided for Completion Will Be (Increased) ~~(Decreased)~~ ~~(Unchanged)~~: 180 Days.

This document will become a supplement to the contract and all provisions will apply hereto.

Requested _____
Recommended [Signature] DSGW Architects (Owner's Architect/Engineer) 12/22/05 (Date)
Accepted [Signature] (Contractor) 12/23/05 (Date)
Approved by Agency _____ (Name and Title) _____ (Date)

Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Agriculture, Clearance Officer, STOP 7602, 1400 Independence Avenue, S.W., Washington, D.C. 20250-7602. Please DO NOT RETURN this form to this address. Forward to the local USDA office only. You are not required to respond to this collection of information unless it displays a currently valid OMB control number.



FAX

To: DSGW **From:** Mike Ralston

Attn: Eric Wedge **Pages:**

Fax: **Date:** 12/12/2005

Re: Mt Iron Library **cc:** Neal Holmstrom Schindler

COMMENTS:

I have been informed by Schindler Elevator the delivery of the equipment will not be until 1-17-05

This is beyond the control of Lenci Enterprises and this date does not appear to be able to be improved on

This will push the Date of Substantial Completion well past the 1-14-05 previously presented First consideration would require approximately 5 weeks additional to the contract

To be safe perhaps the contract extension should be for 45 days
Please comment

Thank you

Mike Ralston



1021 SOUTH 2ND AVENUE
P.O. BOX 6
VIRGINIA, MINNESOTA 55792
TELEPHONE (218) 741-3482
FAX (218) 741-3483

November 22, 2005

Erik Wedge
Damberg Scott Gerzina Wagner Architects
P.O. Box 1065
Virginia, MN 55792

Re: Mt. Iron Library 2005 Renovations

Erik:

Attached find revised schedule for the Mt. Iron Library project showing a completion for exterior work only.

Due to substantial changes in foundation water-proofing, the exterior renovation extended into questionable weather patterns that made it impossible to complete this work.

Providing acceptable temperatures and weather in the Spring of 2006, we propose restarting this work May 1, 2006 and completing by June 31, 2006.

Please note that the substantial completion for interior work will not change.

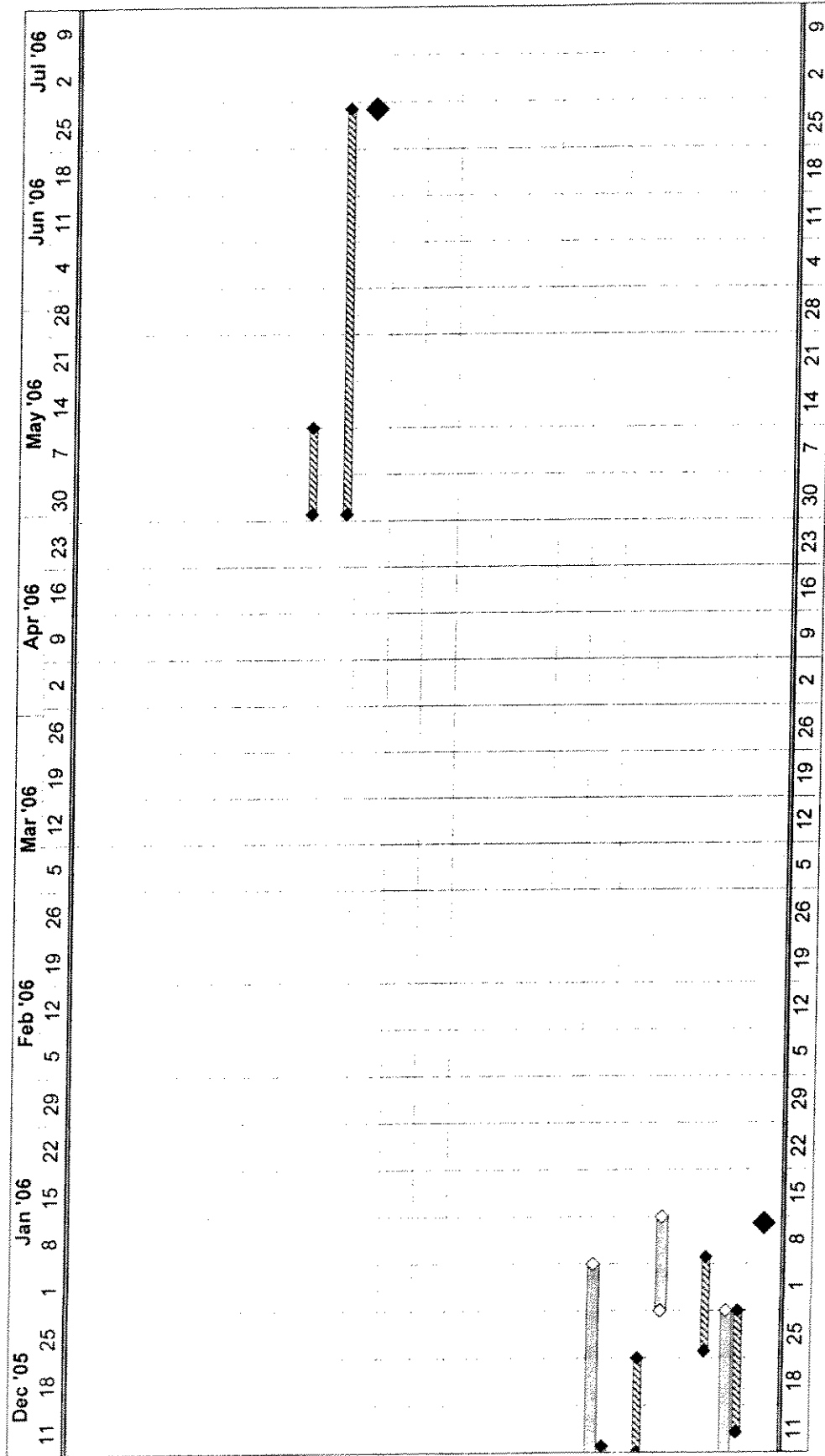
Sincerely,

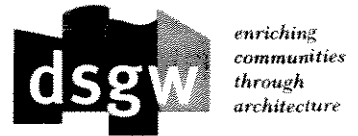
A handwritten signature in black ink, appearing to read "Mike Ralston", is written over a horizontal line.

Mike Ralston
LENCI ENTERPRISES, INC.

Encl.

MOUNTAIN IRON LIBRARY RENOVATION
2005





January 3, 2006

Mr. Craig Wainio
City of Mtn. Iron
8586 Enterprise Drive South
Mtn. Iron, MN 55768

RE: Partial Payment Estimate No. Five (5)
2005 Renovations
Mtn. Iron Library
DSGW Project # 05007

Dear Craig:

Enclosed please find four (4) copies of the Partial Payment Estimate No. Five (5), on the above subject project, from Lenci Enterprises, for \$37,266.80.

We have reviewed & approved this partial payment estimate. Please review and approve and return all copies to our office for forwarding on to the USDA for their final approval. Once a fully executed estimate has been returned to you, we trust that you will pay the contractor directly.

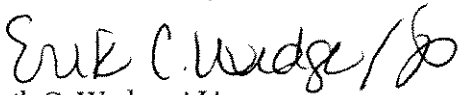
Also, enclosed is the following:

1. Payroll Records:
 - a. Lenci Enterprises for weeks ending: 11/25/05, 12/2/05, 12/9/05 & 12/16/05.

If you have any questions, please do not hesitate to contact our office.

Sincerely,

DSGW Architects, Inc.


Erik C. Wedge, AIA
Project Manager

ECW:jp

enc.

cc: Lenci Enterprises
Mike Vidmar - SLC

Form MN RD 1924-18 (Rev. 01/2002)	United States Department of Agriculture Rural Development Rural Utilities Services	Contract No.: Partial Payment Estimate No.: FIVE Page: 1
--------------------------------------	---	---

PARTIAL PAYMENT ESTIMATE

Owner: City of Mt. Iron 8586 Enterprise Dr. S. Mt. Iron, MN 55768	Contractor: Lenci Enterprises P.O. Box 6 Virginia, MN 55792	Period of Estimate: From: 11 / 25 / 05 To: 12 / 23 / 05
---	---	---

CONTRACT CHANGE ORDER SUMMARY				ESTIMATE	
No.	Agency Approval Date	Amount			
		Additions	Deductions		
ONE		3,683.		1. Original Contract.....	312,800.00
TWO		17,049.		2. Change Orders.....	26,276.00
THREE		5,544.		3. Revised Contract (1 + 2).....	339,076.00
				4. Work Completed*.....	240,127.00
				5. Stored Materials*.....	
				6. Subtotal (4 + 5).....	240,127.00
				7. Ineligible Work*.....	
				8. Adjusted Subtotal (6 - 7).....	240,127.00
				9. Retainage* (10% of 50% of Contract).....	16,953.80
				10. Previous Payments.....	185,906.40
				11. Amount Due (8 - 9 - 10).....	37,266.80
TOTALS		26,276.			
NET CHANGE		26,276.			

* Detailed breakdown attached.

Contract Time		
Original Substantial Completion Date: ___/___/___ Revised: ___/___/___	Percent Contract Time Expired: _____ % Percent of Work Completed: _____ %	Contractor Is (Circle One): <input type="radio"/> On Schedule <input type="radio"/> Ahead of Schedule <input type="radio"/> Behind Schedule
Original Final Completion Date: ___/___/___ Revised: ___/___/___	Percent of Contract Paid: _____ %	If behind schedule, has Contractor been advised of liquidated damages clauses as outlined in the Contract? _____ Amount: _____
If the project is behind schedule, has the Contractor been informed and are measures being taken to return to schedule (describe)? _____ _____		

CONTRACTOR'S CERTIFICATION: The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work which previous payment estimates were issued and payments received from the Owner, and that current payments shown herein are now due. Contractor: Lenci Enterprises, Inc. By: <u>Dale J. Hansen</u> Date: 12 / 23 / 05 Dale J. Hansen, Corporate Secretary	ARCHITECT OR ENGINEER'S CERTIFICATION: The undersigned certifies that to the best of their knowledge and belief and to the extent of their assigned Contract responsibilities, the quantities shown in this estimate are correct and that the work has been performed in accordance with the Contract Documents. A/E: <u>DSGW ARCHITECTS</u> By: <u>[Signature]</u> Date: 01 / 03 / 06
Approved By Owner: Owner: _____ By: _____ Date: ___ / ___ / ___	ACCEPTED BY AGENCY: The review and acceptance of this estimate does not attest to the correctness of the quantities shown or that the work has been performed in accordance with the Contract Documents. By: _____ Title: _____ Date: ___ / ___ / ___

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CONTINUATION SHEET

AIA DOCUMENT G703 (Instructions on reverse side)

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification, is attached.

In tabulations below, amounts are stated to the nearest dollar. Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO.: FIVE
 APPLICATION DATE: 12/23/05
 PERIOD TO: 12/23/05
 ARCHITECT'S PROJECT NO.:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD			TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G + C)		
1.	General Conditions	\$ 22,000.	18,800.	1,700.			20,500.	93	1,500.	
2.	Demolition	18,200.	18,200.				18,200.	100		
3.	Earthwork	13,600.	13,600.				13,600.	100		
4.	Landscaping	4,400.	1,600.				1,600.	35	2,800.	
5.	Site Concrete	6,800.	6,800.				6,800.	100		
6.	Concrete Footings/ Underpinning	5,900.	5,900.				5,900.	100		
47.	Concrete Patching/ Grouting	4,000.	4,000.				4,000.	100		
8.	Concrete Slab on Deck	700.	700.				700.	100		
9.	Masonry Restoration	75,200.	47,200.				47,200.	63	28,000.	
10.	Masonry	15,000.	14,200.				14,200.	95	800.	
11.	Structural & Misc. Steel	4,600.	4,600.				4,600.	100		
12.	Rough Carpentry	4,200.	4,200.				4,200.	100		
13.	Millwork	4,400.		500.			500.	12	3,900.	
14.	EPDM Roofing/Roof Tiles	5,000.	5,000.				5,000.	100		
15.	Dampproofing/Waterproofing	7,300.	7,300.				7,300.	100		

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CONTINUATION SHEET

AIA DOCUMENT G703 (Instructions on reverse side)

PAGE 3 OF 3 PAGES

AIA Document G702, APPLICATION AND CERTIFICATE FOR PAYMENT, containing Contractor's signed Certification, is attached.

In tabulations below, amounts are stated to the nearest dollar.

Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO.: FIVE

APPLICATION DATE: 12/23/05

PERIOD TO: 12/23/05

ARCHITECT'S PROJECT NO.:

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		E THIS PERIOD	F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G TOTAL COMPLETED AND STORED TO DATE (D+E+F)	H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE) RATE
			FROM PREVIOUS APPLICATION (D + E)	% (G ÷ C)					
16.	Metal Frames/Doors and Hardware	6,700.	5,400.	1,000.			6,400.	300.	
17.	Aluminum Entrances/Glass	5,300.	400.	4,900.			5,300.		
18.	Gypsum Board/Plaster	17,300.		8,700.			8,700.	8,600.	
19.	Porcelain Tile/Resilient Flooring	3,300.						3,300.	
20.	Acoustic Tile	600.						600.	
21.	Painting	1,900.		400.			400.	1,500.	
22.	Elevator	52,000.	13,000.	4,300.			17,300.	34,700.	
23.	Mechanical	9,000.	5,400.	2,700.			8,100.	900.	
24.	Electrical	25,400.	11,500.	7,800.			19,300.	6,100.	
	Change Order No. 1	\$ 312,800.	3,683.				3,683.		
	No. 2	17,049.	11,100.				11,100.	5,949.	
	No. 3	5,544.		5,544.			5,544.		
		339,076.	202,583.	37,544.			240,127.	98,949.	

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M E M O

TO: Craig J. Wainio, City Administrator
FROM: Jill M. Forseen, Municipal Services Secretary *JMF*
DATE: January 17, 2006
RE: Request for Attendance at MCFOA Annual Conference

I would like to submit a request to the City Council to request authorization to attend the 2006 MCFOA Conference from March 14-17, 2006, in St. Cloud, Minnesota. I have attended this conference for the past 18 years and found it to be an asset to my position. Along with the excellent classes offered, there is an opportunity to network with Clerks and Finance Officers from around the State. I am currently serving on the Executive Board of Directors, as Treasurer, for this organization and am applying to serve as Secretary during the election held during the conference. There is a portion of the conference that is "mandatory" through the Secretary of State's office for Election Training.

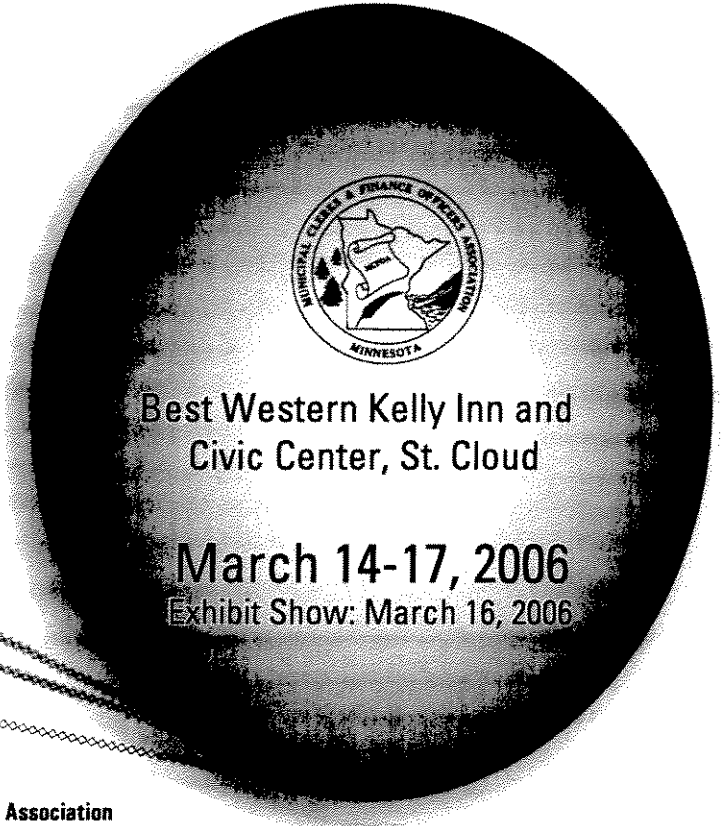
The following is an estimate of the costs for the training:

Registration	\$200
Hotel (3 nights)	\$250
Mileage 372 @ .445/mile	\$166
Meals	<u>\$ 60</u>
TOTAL	\$676

Your consideration concerning this matter is greatly appreciated.

Minnesota Municipal Clerks and Finance Officers Association

*Annual
Conference*



Sponsored by: Minnesota Municipal Clerks and Finance Officers Association

**MCFOA 2006
Conference
Planning
Committee**

Char Friedges, Chairperson, Lakeville

Marilyn Carlson, LaPrairie
Jane Cross, Blaine
Gregg Engdahl, St. Cloud
Tom Ferber, Bloomington
Jill Forseen, Mountain Iron
Diane Frauendienst, Henderson
Nancy Gehrke, North Mankato
Nancy Gibbs, Richfield
Theresa Goble, Brainerd
Susanne Griffin, Minneapolis
Janell Johnson, Grove City
Mark Karnowski, Princeton
Valori Langseth, Rochester
Deb Mangen, Edina
Rosemary Masloski, Ehlers & Associates

Bill McCabe, St. Augusta
Barb Nelson, Spring Lake Park
Cheryl Nymann, Oronoco
Sue Olesen, Burnsville
Sandy Paulson, Plymouth
Lynette Peterson, North Mankato
Tina Rennemo, Kelliher
Tom Thelen, League of Minnesota Cities
Rena Weber, Rockville
Lisa Wieland, New Ulm

Lynn Gavin, Government Training Services
Mary Sabatke, Government Training Services
Carol Schoeneck, Government Training Services

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GTS is a non-profit organization dedicated to helping those who provide services to Minnesota citizens and communities meet current needs for knowledge and skills, plus anticipate and prepare for changes to come. We have worked with policy makers, staff and appointed officials from all levels of governments and all types of non-profit agencies — and their collaborators in associations, business, higher education and community groups — since 1976. GTS is providing program planning, management and support services to the Association for this Conference.

Agenda

TUESDAY, MARCH 14, 2006

- 12:00 NOON Check-in for Half-Day Sessions
- 1:00-4:15 PM HALF-DAY SEMINAR
"Election Administration - Surviving and Thriving in These Ever-Changing Times"
- 1:00-4:15 HALF-DAY SEMINAR
"Considerations for City Use of Technology"
- 5:00-8:00 On-Site Conference Check-In
- 7:00-9:00 CONFERENCE KICKOFF – Spirit of MCFOA – (hors d'oeuvres, cash bar)
- 7:30 Formal greetings, introduction and "getting to know you" activities

WEDNESDAY, MARCH 15, 2006

- 8:00 AM On-Site Conference Check-In
Continental Breakfast
- 9:00 IIMC Opening Ceremony Video, Welcome and Presentation of Colors
- 9:15 OPENING KEYNOTE ADDRESS and SPECIAL INSTITUTE PROGRAM: **"The Power of Productivity: How to Stop Procrastinating & Start Performing"**
- 10:30 Break
- 10:45 **The Power of Productivity** (continued)
- 12:00 NOON Luncheon
- 1:15 PM **CONCURRENT SESSIONS I** (CHOOSE ONE)
- A. Establishing "Fair, Reasonable and Proportionate" Fees
 - B. Effective Meeting Management Using Parliamentary Procedure
 - C. NIMS: What is Required & What Makes Good Practice for Now & the Future in Your City!
 - D. Gambling Licensing 101
- 2:30 Break
- 2:45 **CONCURRENT SESSIONS II** (CHOOSE ONE)
- E. Bonding Procedures for Minnesota Cities
 - F. Tips and Techniques for Working with Developers
 - G. Liquor Licensing 101
 - H. Topical Roundtable Discussions
- 4:00 Free time to visit the City of St. Cloud and have dinner. (Dinner is NOT included in the registration fee.)
- 8:00-12:00AM Dance with DJ - Dance Classics

THURSDAY, MARCH 16, 2006

- 8:30 AM Sit-Down Breakfast and MCFOA BUSINESS MEETING and Oath of Office
- 9:30 GENERAL SESSION:
"Mandated Election Training & Recent Changes in Your Administrative Role"
- 10:30 Refreshment Break (in Exhibit Area)
 Silent Auction begins
EXHIBITS OPEN until 4:00 PM
- 11:00 GENERAL SESSION:
Mandated Election Training (continued)
- 12:15 PM Lunch in Exhibit Area
- 1:45 **CONCURRENT SESSIONS III** (CHOOSE ONE)
- I. Credit Implications in Changing Times
 - J. Getting Yourself Off the Best Stressed List
 - K. Enforceable or Laughable? Keeping Your Ordinances and Codes Up to Date
 - L. Regulating Peddlers, Solicitors and Transient Merchants
- 3:00 Concurrent sessions adjourn
- 3:00-4:00 Last chance to visit Exhibits, bid on Silent Auction items. Refreshments available!
- 4:00 Exhibits Close/Silent Auction Closes
- 4:00-6:00 Free Time
- 6:00 Reception and Banquet: **"Putting on the Ritz"**
 MCMC & CMC Recognition Awards
 Entertainment: Mary Rowles
- 9:30-1:00 AM Dance with Maggie James Band

FRIDAY, MARCH 17, 2006

- 8:00 AM Light Refreshments
- 8:30 FINALE GENERAL SESSION:
"Be Smart for the Whole Journey"
- 10:30-11:30 Brunch, Sleeping room check-out and CEU pick-up
- 11:30 Adjourn

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COUNCIL LETTER 012306-VIF

COUNCILOR ROSKOSKI

COMMUNITY CENTER FEES

DATE: January 18, 2006
FROM: Councilor Roskoski
Craig J. Wainio
City Administrator

Councilor Roskoski requested that this item be placed on the Agenda with the following background information:

It was mentioned not long ago that the operation of our Community Center is in the red by a large amount. A Council Sub-committee should be formed to review the situation and come up with a possible new rate structure.

COUNCIL LETTER 012306-VIG

COUNCILOR ROSKOSKI

IRR GRANT FOR P & H

DATE: January 18, 2006
FROM: Councilor Roskoski
Craig J. Wainio
City Administrator

Councilor Roskoski requested that this item be placed on the Agenda with the following background information:

The word is out on the street that P & H is expanding in Merritt Industrial Park. The City Council should direct our City EDA to work on securing an IRR Grant to help with any P & H buffer, expansion and environmental issues.

COUNCIL LETTER 012306-VIH

COUNCILOR IRISH

MINNTAC TAILINGS BASIN DISCHARGE

DATE: January 18, 2006

FROM: Councilor Irish

Craig J. Wainio
City Administrator

Councilor Irish requested that this item be placed on the Agenda with the following background information:

A draft of the environmental impact statement on Minntac's water inventory reduction and the tailings basin management technical memorandum is available for review at the Mountain Iron Library or available online at www.pca.state.mn.us/news.

COUNCIL LETTER 012306-VII
COUNCILOR IRISH
STATE AUDITOR COMMENTARY

DATE: January 18, 2006
FROM: Councilor Irish
Craig J. Wainio
City Administrator

Councilor Irish requested that this item be placed on the Agenda with the following background information:

Attached is a copy of a recent commentary by State Auditor Pat Anderson on the issue of post-retirement benefit liability.

Posted on Sat, Dec. 10, 2005

Commentary by PAT ANDERSON

Duluth must come together to deal with health-care debt

This post-retirement benefit liability represents more than \$3,200 for every man, woman, and child in the city.

The city of Duluth is facing a long-term financial crisis. As state auditor, I do not write these words lightly, as my office has fiscal oversight over local government and directly audits the city of Duluth.

According to a recent actuary report, the city has more than \$280 million in liabilities as they relate to paying for "free" post-retirement health insurance for both retired and city employees. As recently as 2002, this amount was only \$192 million. For more than a decade, the state auditor's office has advised the city to take corrective action, yet nothing has happened and the problem has only gotten worse. The city needs to change its "pay as you go" policy toward these post retirement benefits, or else its liability will grow to more than \$400 million in the next 10 years. If it doesn't act now, it's just a matter of time before Duluth will be forced to significantly raise its property taxes, dramatically cut its budget, or go bankrupt.

This comes to light because the Governmental Accounting Standards Board is requiring that local governments better show their long-term liabilities as they relate to benefits. Even though the city has been aware of the issue, starting in 2007 the city will actually have to do something with its post retirement health insurance obligations. The goal of these accounting standards is to actually figure out the long term cost to the city, make sure the true costs are known, and find a way to start funding these large benefit obligations.

Much has been written about the problem in the News Tribune over the last few months, and it is probably fair to say most residents of Duluth are aware there is some problem. However, there may not be a complete understanding of just how big, and how unique, a problem this is for the city.

Duluth has guaranteed post retirement insurance benefits to its employees throughout the years by negotiated contracts with its employees. Almost all other cities and counties across Minnesota either never had, or had long since negotiated these post-retirement benefits out of their contracts (although some school districts still have health care coverage until age 65). Because Duluth has offered, and still is offering, paid health care benefits to retirees and their spouses for life, it has a huge unfunded liability. The city is obligated to cover the health care costs it negotiated, even though it has not developed a plan to pay these outstanding long-term health costs.

Back when this benefit was first granted, the cost of health care was considerably less. With greatly increased life spans the cost has grown dramatically. That is why many local governments in Minnesota and private employers stopped offering post-retirement health care benefits. Although this problem is not limited to Duluth, the size of the liability burden on the taxpayers of the city is unique.

Just how much is \$280 million? Let's put it in perspective. Duluth collects only about \$5 million in property taxes each year to spend in its general fund, and all other property taxes are already obligated to paying debt. The health insurance liability is 56 times that amount. The entire general fund budget for the city is \$71 million per year. This liability is 3.9 times that amount. This post-retirement benefit liability represents more than \$3,200 for every man, woman, and child in the city -- an unbelievable burden on taxpayers.

In addition, current actuarial estimates show that Duluth needs to be socking away \$25 to \$30 million per year to take care of this problem. That's over 25 percent of the current city budget! Legally, the city (and by extension, taxpayers) is on the hook to pay for this problem. This is not a case where the state has mandated that the city must incur these costs. The state or other taxpayers will not come bail out the city. The city will have to either dramatically cut its budget or raise taxes to pay for these benefits.

At Monday night's City Council meeting, the city task force will be presenting its ideas on how to deal with this crisis. A deputy state auditor will also attend that meeting. I will review any proposals put forward to carefully to ensure that it is not only a plan that covers the liability, but is also in the best interest of taxpayers. My office has already talked to the city's finance department, and we want to work with Duluth and other local governments to help find a way to fund these long-term health insurance obligations.

Fixing this problem is not a Republican versus Democrat issue or a union versus management issue. Finger pointing at this stage is a waste of time. No amount of blame will fix the problem. It's time for everyone to come together to fix this problem.

Duluth is a strong community. I know that the city employees, elected officials and community leaders all are beginning to understand the huge ramifications of this issue. The solution may require some tough choices and hard decisions, but the price of inaction or half-measures is too high a price to pay. Fixing this problem is a matter of civic pride for the people of Duluth.

PAT ANDERSON is the Minnesota state auditor.

COMMUNICATIONS
JANUARY 23, 2006

1. Mountain Iron Senior Citizen's Club, a thank you for the contribution to their New Year's Eve Party.
2. Mountain Iron-Buhl Class of 2006, a thank you for the contribution.
3. Planning and Zoning Commission, a notice of a public hearing on January 23, 2006, for a rezoning request.
4. Coalition of Greater Minnesota Cities, forwarding the January 10, 2006 News Brief.
5. League of Minnesota Cities, forwarding an Action Alert.

Mr Mayor and City Council

We members of the Mt.
Iron Senior Citizens Club
want to express our thanks
for your donation of \$100
towards our annual New
Year's Eve party
Liz Schur, Pres.

*The Mountain Iron-Buhl Class of 2006 and the Parents'
Committee for the All Night Grad Party are most grateful
for your generous contribution to our party.*

We sincerely Thank-you!

*MOUNTAIN IRON-BUHL CLASS OF
2006*



CITY OF MOUNTAIN IRON

City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron MN 55768

"TACONITE CAPITAL OF MINNESOTA"

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8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

NOTICE OF PUBLIC HEARING

The Planning and Zoning Commission of the City of Mountain Iron will hold a public hearing on Monday, January 23, 2006 at 7:05 p.m. in the Wacootah Room of the Mountain Iron Community Center.

The purpose of the public hearing is to consider amendments to Chapter 154 of the City Code, the Zoning Ordinance for the City of Mountain Iron, Minnesota, with regard to revising the official zoning map.

The property described below is proposed to be zoned Multi-Family Residential District No. 2 (MF-2):

Westerly 440 feet of the Southeast Quarter (SE ¼) of the
Southwest (SW ¼) of the Southeast Quarter (SE ¼) of the
of Sections 11, Township 58 North, Range 18 West
Parcel Code: 175-0071-00901
Acres: 4.2

The public can present its opinions at the public hearing or by letter addressed to the Zoning Administrator, City Hall, 8586 Enterprise Drive South, Mountain Iron, Minnesota 55768-8260.

By Order of the Planning and Zoning Commission
Jerry D. Kujala
Zoning Administrator

www.mtniron.com



Coalition of Greater Minnesota Cities

CGMC in Brief

January 10, 2006

Contact: Sarah Kleppe
651.225.8840

Board reduces CGMC budget

In a move designed to adjust to the withdrawal of St. Cloud and Kasson, The CGMC Board of Directors voted Jan. 5 to cut \$110,000 from the coalition's 2006 operating budget. Funding for transportation was reduced by \$27,000, environment by \$27,000, annexation by \$30,000, and economic development by \$28,000. Funding for local government aid/property taxes was unchanged.

Tim Flaherty, Flaherty & Hood, P.A., told the board that the legislative outcome for each issue would be less certain next session because of the budget reductions.

Board members urged cities to make voluntary contributions to offset some of the lost revenue. Cities may designate their voluntary contributions to fund any of the issues areas that have been scaled back. The contributions will help the coalition develop a stronger legislative program.

Members will be sent a letter discussing the voluntary contributions in more detail.

Highways must share MVST funding

The CGMC board also met with **Rick Krueger, Executive Director, Minnesota Transportation Alliance**, and **Richard Thomas, Ames Construction, Inc.**, to discuss a proposed constitutional amendment that dedicates the Motor Vehicle Sales Tax to transportation. Krueger and Thomas are members of a transportation coalition that wants the CGMC to endorse the amendment.

The board said the CGMC would support the constitutional question only if highway funding is safeguarded – either through an amendment to the question that will appear on the November general election ballot or through statute.

The CGMC has drafted proposals that amend the constitutional question and statutorily dedicate 60 percent of the sales tax proceeds to highways. If the CGMC's proposals do not pass during the 2006 legislative session, the CGMC will urge voters to oppose the MVST constitutional amendment, board members said.

Mayor Ness elected first vice president

The CGMC Board of Directors elected **Alexandria Mayor Dan Ness** first vice president of the coalition. He replaces **Hibbing Mayor Rick Wolfe**, who resigned from the presidency because of his busy schedule.

Mayor Wayne Wolden elected secretary

Wadena Mayor Wayne Wolden was elected CGMC secretary to replace **St. Cloud City Administrator Mike Williams**, who was forced to resign when the city withdrew from the coalition.





League of Minnesota Cities

145 University Avenue West, St. Paul, MN 55103-2044

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Training and Conferences,
www.lmnc.org.**

**Or call Rebecca Erickson, 1-800-925-1122
or e-mail her at
rerickso@lmnc.org**

**Or...call me, NE MN LMC Ambassador
Lolita Schnitzius, 1-218-365-6571**

BE THERE!