

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, APRIL 1, 2013 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the March 18, 2013, Regular Meeting (#1-7)
 - B. Minutes of the March 18, 2013, Special Meeting (#8-10)
 - C. Receipts
 - D. Bills and Payroll
 - E. Communications (#23-30)
- III. Public Forum
 - A. Public Hearing on Silicon Way
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. All Night Grad Party (#11)
 - B. City Administrator's Report
 - C. Interim Public Works Director's Report
 - D. Sheriff's Department Report
 - E. City Engineer's Report
 - F. Planning and Zoning Commission
 - 1. Residential Permit Fee Schedule (#12-13)
 - G. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Resolution Number 12-13 TIF Plan Modification (#14-17)
 - B. Resolution Number 13-13 Ordering Plans and Specifications (#18-19)
 - C. Resolution Number 14-13 Authorizing the Transfer of Property (#20-22)
- VII. Communications (#23-31)
- VIII. Announcements
- IX. Closed Meeting (#32)
- X. Adjourn

Page Number in Packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
MARCH 18, 2013

Mayor Skalko called the City Council meeting to order at 6:32 p.m. with the following members present: Joe Prebeg, Jr, Tony Zupancich, Alan Stanaway, Susan Tuomela and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Clark, Municipal Services Secretary; Michael Downs, Interim Director of Public Works; Rod Flannigan, City Engineer; and Brian Lindsey, City Attorney.

It was moved by Skalko and seconded by Tuomela that the consent agenda be approved as follows:

1. Approve the minutes of the March 4, 2013, regular meeting as submitted.
2. That the communications be accepted and 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 March 1-15, 2013 totaling \$191,363.06, (a list is attached and made a part of these minutes).
4. To authorize the payments of the bills and payroll for the period March 1-15, 2013, totaling \$304,904.64, (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

The Mayor reported on the following:

- Mountain Iron-Buhl Girls Basketball. He congratulated the Mountain Iron-Buhl Girls Basketball team for a real successful year. He said that this was their third trip to the State Tournament. Congratulations were expressed to the coaches, players, and staff.
- Fire Hydrants. He reminded residents that live near fire hydrants to clean the snow from around them.
- Condolences. He offered condolences to the family of Robert Peterson, a longtime resident of Parkville that recently passed away at the age of 89.
- Acknowledgements. Councilor Zupancich addressed the issue regarding the publication of the City minutes. He said that the City Council decided, approximately 3 years ago, to stop publishing the City minutes as a cost savings options. Since then, the City has saved

approximately \$8,000. He further stated that this was not completed without thought, he said the minutes are available on the City web site: www.mtniron.com or you may contact City Hall and the minutes will be mailed to you at no cost.

- Community Development Block Grant (CDBG). Councilor Stanaway informed the Council that the City was awarded a CDBG grant for \$45,000 for the Mountain Manor window replacement project.

It was moved by Zupancich and seconded by Tuomela to set the Board of Appeal and Equalization meeting for April 23, 2013. The motion carried.

It was moved by Zupancich and seconded by Prebeg to accept the recommendation of City Staff and authorize the purchase of the following items:

• Caterpillar Excavator (State Bid) minus ASV Trade-In	\$72,127.80
• Caterpillar Hydro Hammer (State Bid)	\$24,527.81
• 2005 International Single Axel Truck (Quotes Enclosed)	\$31,178.00
• Towmaster Trailer (Quotes Enclosed)	\$26,456.73
• Vivax vCam Inspection Camera (Quotes Enclosed)	<u>\$ 9,350.00</u>
 TOTAL	 \$163,640.34

The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Tuomela to authorize payment request number three for the 2011 Street Improvement Project to Mesabi Bituminous in the amount of \$6,516.94. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Tuomela to accept the recommendation of the Personnel Committee and offer the position of Water/Wastewater Operator to Mr. Daniel Nitz pending the completion of a physical, background check, and drug test. The motion carried.

During the liaison reports, Councilor Stanaway updated the Council on the Library Board meeting held last week. He said that for the past two months they have been working on rewriting policies for the library with regard to dealing with school age children at the Library. He said that he would like to meet with the City Administrator to review the proposed policy and then have it forwarded to the City Attorney.

It was moved by Stanaway and seconded by Tuomela to adopt Resolution Number 10-13, ordering improvement and preparation of plans for the Unity Drive Extension Project proceeding

with option number three, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Prebeg and seconded by Stanaway to adopt Resolution Number 11-13, supporting the grant application made to the Minnesota Department of Natural Resources for the Local Trail Connections Program, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Prebeg and seconded by Tuomela to contribute \$200 to the John Kauppinen Memorial Law Enforcement Scholarship Foundation with the funds being expended from the Charitable Gambling Fund. The motion carried unanimously on a roll call vote.

It was moved by Zupancich and seconded by Tuomela to authorize the annual contribution of \$4,500 to the Calvary Cemetery Association. The motion carried unanimously on a roll call vote.

The Council did not meet in a closed session.

At 7:03 p.m., it was moved by Skalko and seconded by Prebeg that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Clark, MMC
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. PolyMet Mining Community Leaders Breakfast, an invitation to a breakfast on March 22, 2013, in Virginia.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	180,162.72
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	201.54
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	105.50
FINES	PARKING VIOLATIONS	75.00
CAMPGROUND RECEIPTS	FEES	5,070.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	1,400.00
BUILDING RENTALS	COMMUNITY CENTER	650.00
FINES	CRIMINAL	1,611.05
METER DEPOSITS	ELECTRIC	1,350.00
BUILDING RENTALS	SENIOR CENTER	125.00
METER DEPOSITS	WATER	80.00
CHARGE FOR SERVICES	WATER-CHARGE FOR SERVICES	3.95
BUILDING RENTALS	NICHOLS HALL	165.00
MISCELLANEOUS	ELECTRIC RECONNECT FEE	35.00
LICENSES	ANIMAL	5.00
MISCELLANEOUS	REIMBURSEMENTS	149.00
COPIES	COPIES	29.50
MISCELLANEOUS	SALE-COPIES, MAPS, LABOR-ADMIN	144.80
Summary Totals:		<u>191,363.06</u>

Report Criteria:

Check Check No = 143579-143624

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
03/13	03/18/2013	143579	10056	A T & T MOBILITY	101-20200	1,497.41
03/13	03/18/2013	143580	130017	AMERICAN BANK	101-20200	119.99
03/13	03/18/2013	143581	10001	ARROWHEAD ECONOMIC OPPORTUNI	604-20200	119.06
03/13	03/18/2013	143582	2012	ASHLEY RALSTON	101-20200	200.00
03/13	03/18/2013	143583	20022	BENCHMARK ENGINEERING INC	301-20200	12,915.75
03/13	03/18/2013	143584	30014	CALVARY CEMETERY ASSOCIATION	101-20200	4,500.00
03/13	03/18/2013	143585	30084	CARDMEMBER SERVICE	603-20200	3,784.17
03/13	03/18/2013	143586	170001	CENTURY LINK	101-20200	474.36
03/13	03/18/2013	143587	220003	CITY OF VIRGINIA	101-20200	59.33
03/13	03/18/2013	143588	3040	GOOD SHEPHERD LUTHERAN CHURCI	101-20200	200.00
03/13	03/18/2013	143589	80037	HOMETOWN MEDIA PARTNERS	603-20200	31.50
03/13	03/18/2013	143590	4013	JOHN KAUPPINEN LAW ENFORCEMEN	230-20200	200.00
03/13	03/18/2013	143591	3041	KELSEY RADLE	101-20200	200.00
03/13	03/18/2013	143592	3045	KIMBERLY MATTILA	604-20200	263.14
03/13	03/18/2013	143593	1217	L & M SUPPLY	101-20200	5,000.00
03/13	03/18/2013	143594	120006	L & M SUPPLY	101-20200	426.92
03/13	03/18/2013	143595	120003	LEAGUE OF MINNESOTA CITIES	603-20200	500.00
03/13	03/18/2013	143596	3042	LINDA M HENDRICKSON	101-20200	200.00
03/13	03/18/2013	143597	3043	LYNN KOHLHASE	101-20200	200.00
03/13	03/18/2013	143598	130041	MESABI BITUMINOUS	301-20200	6,516.94
03/13	03/18/2013	143599	130004	MESABI DAILY NEWS	101-20200	232.35
03/13	03/18/2013	143600	130093	MESABI RANGE COMMUNITY	101-20200	355.00
03/13	03/18/2013	143601	130039	MINNESOTA DEPT OF COMMERCE	604-20200	391.92
03/13	03/18/2013	143602	140026	MINNESOTA ENERGY RESOURCES	602-20200	253.81
03/13	03/18/2013	143603	130009	MINNESOTA POWER (ALLETE INC)	604-20200	103,957.65
03/13	03/18/2013	143604	3046	MITCH GOERDT	604-20200	50.37
03/13	03/18/2013	143605	140047	NARDINI FIRE EQUIPMENT CO INC	101-20200	115.86
03/13	03/18/2013	143606	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	89.41
03/13	03/18/2013	143607	140055	NORTHERN VISUAL SERVICES LLP	101-20200	30.00
03/13	03/18/2013	143608	160066	PACE ANALYTICAL SERVICES	601-20200	46.20
03/13	03/18/2013	143609	160003	PERPICH TV & MUSIC INC	101-20200	1,941.85
03/13	03/18/2013	143610	180004	RANGE COOPERATIVES	602-20200	304.60
03/13	03/18/2013	143611	180053	RUSSO CONSULTING (DBA)	101-20200	180.00
03/13	03/18/2013	143612	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	41,667.00
03/13	03/18/2013	143613	190016	ST LOUIS COUNTY AUDITOR	101-20200	160.00
03/13	03/18/2013	143614	190099	SUBSURFACE INCORPORATED	101-20200	106.88
03/13	03/18/2013	143615	200020	THE TRENTI LAW FIRM	101-20200	3,103.21
03/13	03/18/2013	143616	3044	THOMAS JENSEN	604-20200	55.28
03/13	03/18/2013	143617	210001	UNITED ELECTRIC COMPANY	602-20200	53.13
03/13	03/18/2013	143618	220028	VAN IWAARDEN ASSOCIATES	101-20200	766.00
03/13	03/18/2013	143619	3047	VERA SVEDBERG	604-20200	198.24
03/13	03/18/2013	143620	220020	VISA OR AMERICAN BANK CC PMT	603-20200	2,512.07
03/13	03/18/2013	143621	230005	WESCO DISTRIBUTION INC	101-20200	7,530.41
03/13	03/18/2013	143622	230043	WISCONSIN CENTRAL	602-20200	546.83
03/13	03/18/2013	143623	60038	WRIGHT EXPRESS FINAN SERV CORP	604-20200	8,989.37
03/13	03/18/2013	143624	240001	XEROX CORPORATION	101-20200	599.40

Totals:

	211,645.41
Payroll-PP Ending 3/15/2013	<u>93,259.23</u>
TOTAL EXPENDITURES	<u>\$304,904.64</u>



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

RESOLUTION NUMBER 10-13

ORDERING IMPROVEMENT AND PREPARATION OF PLANS

WHEREAS, a Resolution of the City Council adopted the 19th day of February, 2013, fixed a date for a Council hearing on Improvement Number 13-03, the proposed improvement of Unity Drive between the centerline of Diamond Lane and the centerline of Park Drive by construction, and

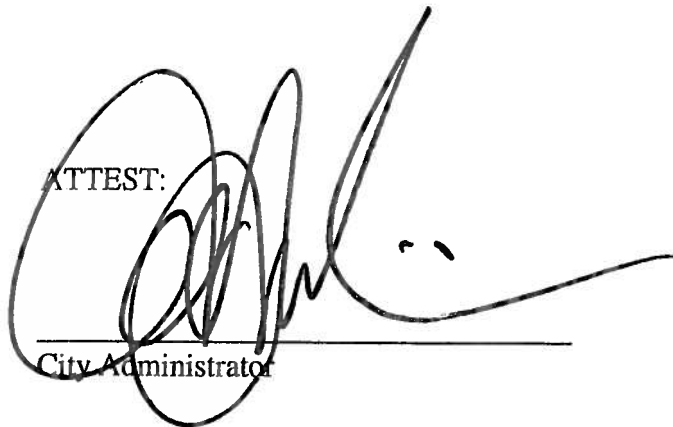
WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 18th day of March, 2013, at which all persons desiring to be heard were given an opportunity to be heard thereon,

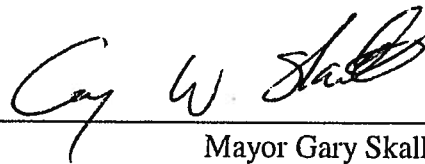
NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA:

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the Council Resolution adopted 19th day of March 2013.
3. Benchmark Engineering is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.

DULY ADOPTED BY THE CITY COUNCIL THIS 18th DAY OF MARCH, 2013.

ATTEST:



City Administrator

Mayor Gary Skalko



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

RESOLUTION NUMBER 11-13

SUPPORTING THE GRANT APPLICATION MADE TO THE MINNESOTA DEPARTMENT OF NATURAL RESOURCES FOR THE LOCAL TRAIL CONNECTIONS PROGRAM

WHEREAS, the City of Mountain Iron supports the grant application made to the Minnesota Department of Natural Resources for the Local Trail Connections Program. The application is to construct a paved trail for the City of Mountain Iron; and,

WHEREAS, the City of Mountain Iron recognizes the fifty (50) percent match requirement for the Local Trail Connections Program, and has secured the matching funds

NOW, THEREFORE, BE IT RESOLVED, if the City of Mountain Iron is awarded a grant by the Minnesota Department of Natural Resources, the City of Mountain Iron agrees to accept the grant award, and may enter into an agreement with the State of Minnesota for the above referenced project. The City of Mountain Iron will comply with all applicable laws, environmental requirements and regulations as stated in the grant agreement, and

BE IT FURTHER RESOLVED, the City Council of the City of Mountain Iron names the fiscal agent for the City of Mountain Iron for this project as:

Craig J. Wainio
City Administrator
City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron, MN 55768

BE IT FURTHER RESOLVED, the City of Mountain Iron hereby assures the Mountain Iron trail will be maintained for a period of no less than 20 years.

DULY ADOPTED BY THE CITY COUNCIL THIS 18th DAY OF MARCH, 2013.

ATTEST:

City Administrator

Mayor Gary Skalko

MINUTES
MOUNTAIN IRON CITY COUNCIL
SPECIAL MEETING
MARCH 18, 2013

Mayor Skalko called the City Council meeting to order at 5:00 p.m. with the following members present: Joe Prebeg, Jr., Susan Tuomela, Tony Zupancich, Alan Stanaway, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Clark, Municipal Services Secretary; Rod Flannigan, City Engineer; Michael Downs, Interim Director of Public Works; and Brock Kick, St. Louis County Sheriff Deputy.

The Mayor said that the purpose of the meeting was to discuss the proposed extension of Unity Drive through to South Grove. He gave the following brief background history of the project:

- 1983. The City acquired utility easements from the Mountain Iron-Buhl School District at no charge and Hanna Mining for \$1. The City installed sewer main from South Grove to the Merritt Elementary School.
- 1998. The City obtained road easements from Mountain Iron-Buhl School District of approximately three acres at no charge.
- 2000. The City constructed a water main from South Grove to Unity Addition. The City reconstructed Garden Drive North.
- 2002. The City acquired road easements from Tom Scholotec at no charge for 0.75 acres. The City also acquired road easements from Harvey Hellyer for the cost of \$2,500 for approximately one acre of road easements. The City acquired road easements from Tom and Stefanie Nikolanci and the Nikolanci Trust for \$26,725 for approximately 1.4 acres, which was negotiated to pay for future road assessments.
- Assessment Rates. The rate is 10% rate to the property owners with the city paying for 90% of the project. This is the lowest assessment rate in the City.

The following spoke during the public hearing:

Lyle Johnson, 5442 Diamond Lane. He said that he bought the house three years ago. He said he understood that the road ends there and he knew that the road would eventually go through. He said that he does not necessary object to the road going through to South Grove, he just objects to it going through right now. He said there are a lot of vacant lots in Unity Addition that still need to be purchased, so he was questioning why the road needs to go through at this time. The Mayor said that the road is to connect the community from east to west and the City had been considering the project for 30 years. Mr. Johnson also questioned commercial development going in on the road. The Council assured him that the area was zoned residential.

Sally Aspin, 5442 Diamond Lane. She is against this road going through because it is a pristine area and a very rural setting. She said that as an asset to the area, there is a family of great horned owls residing in the area. She also feels that the road would become a raceway. She is also against paying for something that she does not want.

Len Roskoski, 8680 Unity Drive. He said that he objects to this road as he did once before. He said that the neighborhood is nice and the Council wants to destroy that. He also said that he does not have the money to pay for the assessment.

Wayne Pohia, 8754 Unity Drive. He said that when they moved into the neighborhood, it was quiet and now with the road going through, everyone in South Grove will be using the road. He requested that the Council assess the people that are going to utilize the road. He also said that his taxes will probably go up with an improved road in front of his house. He also had concerns regarding where the water would flow to with option number three. He also questioned where the bike trail would be located. The City Engineer said that he did not know where the trail would be located. Mr. Pohia said that he does not want the road to go through there and he does not want to pay for it. He also requested to see the final plan because the drainage may be going on to his property.

Tom Nikolanci, 8821 Unity Drive. He said that he is opposed to the road being constructed through to South Grove. He requested that if the Council was serious about the project that they do a referendum to get it approved. He said that the Council is burdening a handful of residents to pay for the road. The Mayor informed him that the City had already paid him for the proposed assessments in the easement negotiations in 2002.

Councilor Prebeg asked the property owners present what kind of road they would like to see constructed for Unity Drive to so though to South Grove. Some of the residents discussed the issue and said that they would prefer a paved street to keep the dust down and with a few residents wanted a dirt road to keep the traffic moving slower.

Councilor Tuomela sympathized with the residents saying that she lives on Spring Park Road and her quiet neighborhood had been disrupted by the progress of Minntac and the Rock Ridge Development. She also said that the Mountain Iron-Buhl School district would have a shorter route to South Grove for busing purposes if the proposed road was constructed.

Beth Skalko, 5441 Diamond Lane, asked what residents were informed of the meeting. The Mayor said the public hearing notice was published in the Hometown Focus, on Public Access TV, and the affected property owners were notified by mail.

Councilor Stanaway spoke and also felt that the residents that are not present at the meeting are probably in favor of the project. He said that the road had been in the plan for many years. He said that the elderly people would like the road because they do not want to go out on Highway 169.

At 6:05 p.m., it was moved by Skalko and seconded by Prebeg that the meeting be adjourned. The motion carried.

Submitted by:

A handwritten signature in cursive script that reads "Jill M. Clark".

Jill M. Clark, MMC
Municipal Services Secretary

www.mtniron.com

COUNCIL LETTER 040113-IVA1

MAYOR GARY SKALKO

**INCREASE DONATION TO MIB
ALL-NIGHT GRAD PARTY**

DATE: March 28, 2013
FROM: Mayor Gary Skalko
Craig J. Wainio
City Administrator

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

After talking with an individual who is helping head the All-Night Grad Party, I was made aware of this situation. Since building waivers are no longer given, our current donation just covers their cost of renting the building. Therefore, I recommend increasing our donation to \$500. The monies would come from our charitable gambling fund.

Suggested Residential Permit Fees

Permit

- \$100 Single Family Dwelling
- \$50 Addition to single family dwelling
- \$35 Garage
- \$25 Garage addition, deck, accessory building
- \$10 Reroofing, residing, window replacement, fence, all others

Inspection

Number of required inspections to be determined at the time of permit issuance by the Residential Building Official. A fee of \$35 for each inspection will be added to the permit fee.

Estimated number of inspections:

Single family dwelling	12
Addition to single family dwelling	6-12
Garages & garage additions	2-4
Deck	2
Accessory building	1-2
Reroofing	1-2
Residing, window replacement	1

Plan review

In addition to the permit and inspection fees, the following plan review fees will be added:

Single family dwelling	\$50
Additions to single family dwelling	\$35
Garage, garage addition, deck	\$25

Sample Permit Fee comparison

	<u>Current</u>	<u>Proposed</u>
new home(\$300,000)	\$422	\$570 (12 inspections)
addition to home(\$100,000)	\$207	\$365 (8 inspections)
garage(\$15,000)	\$80	\$130 (2 inspections)
new deck(\$4,000)	\$26	\$120 (2 inspections)
reroof or reside(\$8,000)	\$39	\$45 (1 inspection)
fence(\$1,500)	\$5	\$10

NOTES:

The current fees are correct only for construction of the value shown.

The proposed fees are correct for all values of that type of construction and would vary only if the number of inspections need to change based on the type of construction.

The number of inspections would be set at the time the permit is issued. There would be no additional charge for reinspections or additional inspections caused by construction changes or scheduling changes.

COUNCIL LETTER 040113-VIA

ADMINISTRATION

RESOLUTION 12-13

DATE: March 28, 2013

FROM: Craig J. Wainio
City Administrator

Resolution Number 12-13 sets a public hearing on the proposed modifications to TIF District Number 14 (Lake Country Power). The major modification to the district deals with the parcels in the district. To date the City has not been getting adequate increment from this district due to the platting of the area not accurately depicting the County's description of the district. This modification will fix the parcel discrepancy as well as add time to the district in order to make up the shortfall.

It is recommended that the City Council adopt Resolution Number 12-13 Setting a public hearing as presented.



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 ▪ FAX: 218-748-7573 ▪ www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH ▪ MOUNTAIN IRON, MN ▪ 55768-8260

RESOLUTION NUMBER 12-13

CALLING A PUBLIC HEARING ON THE PROPOSED MODIFICATION OF TAX INCREMENT FINANCING (ECONOMIC DEVELOPMENT) DISTRICT NO. 14 WITHIN THE MUNICIPAL PROJECT AREA NO. 1 AND THE PROPOSED MODIFICATION OF A TAX INCREMENT FINANCING PLAN RELATING TO THERETO

**BE IT RESOLVED BY THE CITY COUNCIL (the "Council") OF THE CITY OF
MOUNTAIN IRON, MINNESOTA (the "City"), as follows:**

1. Public Hearing. This Council shall meet on Monday, May 20, 2013, at approximately 6:30 p.m., to hold a public hearing on the following matters: (a) the proposed modification of Tax Increment Financing (Economic Development) District No. 14 within Municipal Project Area No. 1; and (b) the proposed modification of a Tax Increment Financing Plan relating to thereto, all pursuant to and in accordance with Minnesota Statutes, Sections 469.124 through 469.134, both inclusive, as amended, and Minnesota Statutes, Sections 469.174 through 469.1799, both inclusive, as amended (collectively, the "Act").
2. Notice of Hearing; Filing of Program and Plan. The City Clerk is hereby authorized to cause a notice of the hearing, substantially in the form attached hereto as Exhibit A, to be published as required by the Act and to place a copy of the proposed modification of Tax Increment Financing (Economic Development) District No. 14, and the proposed modification of Tax Increment Financing Plan for Tax Increment Financing (Economic Development) District No. 14 on file in the City Clerk's Office at Mountain Iron City Hall and to make such copies available for inspection by the public.
3. Consultation with Other Taxing Jurisdictions. The City Clerk is hereby directed to mail a notice of the public hearing and a copy of the proposed modification of Tax Increment Financing District No. 14 and the Tax Increment Financing Plan for Tax Increment Financing (Economic Development) District No. 14 to St. Louis County and Independent School District No. 712 informing those taxing jurisdictions of the estimated fiscal and economic impact of the modification of Tax Increment Financing District No. 14.

DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF APRIL, 2013.

Mayor Gary Skalko

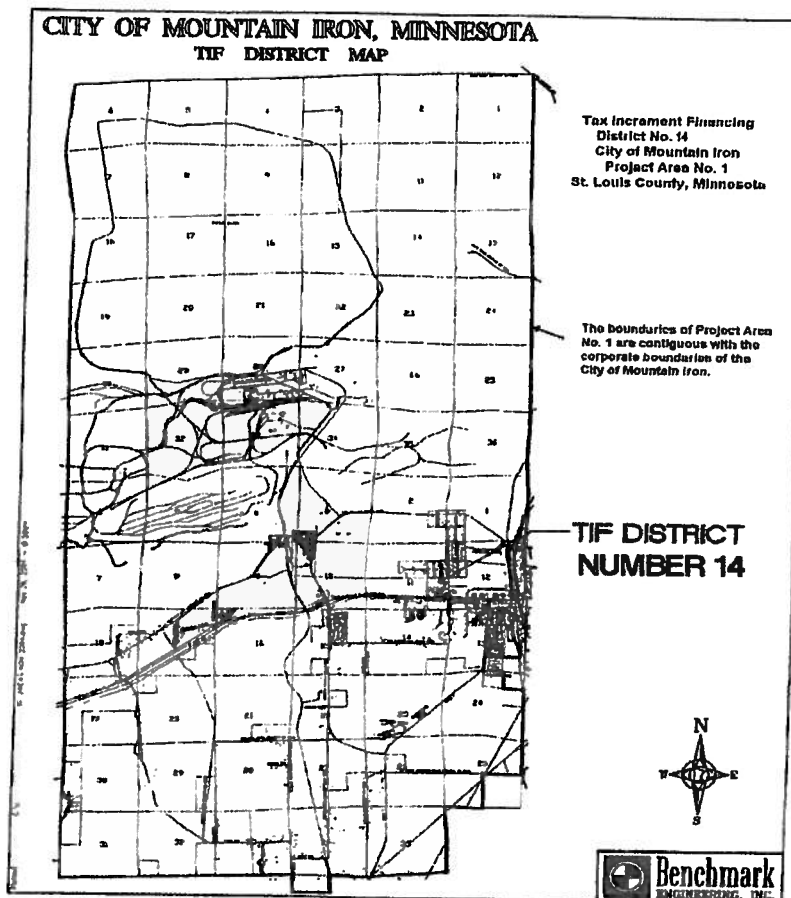
ATTEST:

City Administrator

EXHIBIT A
CITY OF MOUNTAIN IRON, COUNTY OF SAINT LOUIS
STATE OF MINNESOTA
NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN that the City Council (the "Council") of the City of Mountain Iron, St. Louis County, Minnesota, will hold a public hearing on Monday, May 20, 2013, at 6:30 p.m., at the City Hall, in the City of Mountain Iron, Minnesota, relating to the modification of Tax Increment Financing (Economic Development) District No. 14, pursuant to Minnesota Statutes, Sections 469.124 through 469.134, both inclusive, as amended and Minnesota Statutes, Sections 469.174 through 469.1799, both inclusive, as amended. Copies of the Modified Tax Increment Financing Plan as proposed to be adopted, will be on file and available for public inspection at the office of the City Clerk at City Hall.

The property included in Tax Increment Financing (Economic Development) District No. 14 is described in the Tax Increment Financing Plan on file in the office of the City Manager. The boundaries of Tax Increment Financing (Economic Development) District No. 14 are shown in the map below:



All interested persons may appear at the hearing and present their views orally or in writing prior to the hearing.

Dated: _____, 2013.

BY ORDER OF THE CITY COUNCIL

/s/ _____
City Clerk

[Publish by May 10, 2013]

COUNCIL LETTER 040113-VIB

ADMINISTRATION

RESOLUTION 13-13

DATE: March 28, 2013

FROM: Craig J. Wainio
City Administrator

Resolution Number 13-13 Ordering Improvement authorizes Benchmark Engineering to develop plans and specifications for the improvement of Silicon Drive project option 1B as outlined in the feasibility report. This entire project is being funded through a grant from the Department of Employment and Economic Development. These Plans and Specification will then be presented to the City Council prior to soliciting bids.

It is recommended that the City Council adopt Resolution Number 13-13 Ordering Improvement.



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

RESOLUTION NUMBER 13-13

ORDERING IMPROVEMENT AND PREPARATION OF PLANS

WHEREAS, a Resolution of the City Council adopted the 4th day of March, 2013, fixed a date for a Council hearing on Improvement Number 13-05, the proposed improvement of Silicon Drive between the centerline of the proposed County Road 102 to the end of Silicon Drive by paving, and

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 1st day of April, 2013, at which all persons desiring to be heard were given an opportunity to be heard thereon,

NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA:

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the Council Resolution adopted 4th day of March 2013.
3. Benchmark Engineering is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.

DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF APRIL, 2013.

Mayor Gary Skalko

ATTEST:

City Administrator

COUNCIL LETTER 040113-VIC

ADMINISTRATION

RESOLUTION 14-13

DATE: March 28, 2013

FROM: Buildings and Grounds

Craig J. Wainio
City Administrator

Resolution Number 14-13 Authorizes the transfer of certain properties from the City to the EDA. Currently the some of the property involved in the County Road 102 and the Minntac entrance road project is owned by the EDA and some by the City. This resolution authorizes the consolidation of these properties under the EDA to make the sale smoother for all entities. Buildings and Grounds is recommending the transfer of property to the EDA.

It is recommended that the City Council adopt Resolution Number 14-13 as presented.



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

RESOLUTION NUMBER 14-13

AUTHORIZING THE TRANSFER OF CERTAIN PROPERTIES

WHEREAS, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to convey certain properties to the Mountain Iron Economic Development Authority.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the Mayor and City Administrator execute the deeds to convey to the Mountain Iron Economic Development Authority, real properties in St. Louis County, Minnesota, described as follows:

Northeast Quarter of Northeast Quarter (NE 1/4 of NE 1/4) of Section Eleven (10), Township Fifty-eight (58) North, Range Eighteen (18) West of the Fourth Principal Meridian;

and

Northwest Quarter of Northeast Quarter (NW 1/4 of NE 1/4) of Section Eleven (10), Township Fifty-eight (58) North, Range Eighteen (18) West of the Fourth Principal Meridian;

and

East Half of Northeast Quarter of Northwest Quarter (E1/2 of NE 1/4 of NW 1/4) of Section Eleven (10), Township Fifty-eight (58) North, Range Eighteen (18) West of the Fourth Principal Meridian;

and

Southwest Quarter of Northeast Quarter (SW 1/4 of NE 1/4) of Section Eleven (10), Township Fifty-eight (58) North, Range Eighteen (18) West of the Fourth Principal Meridian;

and

Southeast Quarter of Northwest Quarter (SE 1/4 of NW 1/4) of Section Eleven (10), Township Fifty-eight (58) North, Range Eighteen (18) West of the Fourth Principal Meridian;

and

Northwest Quarter of Southeast Quarter (NW 1/4 of SE 1/4) of Section Eleven (10),
Township Fifty-eight (58) North, Range Eighteen (18) West of the Fourth Principal
Meridian;

and

That part of the Northeast Quarter of Southwest Quarter (NE 1/4 of SW 1/4) of
Section Eleven (10), Township Fifty-eight (58) North, Range Eighteen (18) West of
the Fourth Principal Meridian, lying and being East of the Easterly right of way of
County Road 102 excepting the Southerly 380 feet thereof.

DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF APRIL, 2013.

ATTEST:

Mayor Gary Skalko

City Administrator

Adjusting LGA for Inflation

If the Local Government Aid (LGA) appropriation is not adjusted for inflation, city property taxes will generally increase faster than the rate of inflation even if city spending grows at the rate of inflation.

Consider the following example for the hypothetical city of Minnville. In 2013, Minnville had a total budget of \$1,000,000, half of which came from a \$500,000 property tax levy and the other half coming from a state LGA payment of \$500,000. Assuming a two percent rate of inflation in 2014, the budget of Minnville will need to increase by two percent to provide the same level of city services and infrastructure in 2014.

In scenario #1, LGA is frozen, with no adjustment for inflation. The city budget increases from \$1,000,000 in 2013 to \$1,020,000 in 2014 to keep pace with the two percent inflationary growth in the costs of the goods and services that the city purchases.

Scenario #1: LGA Frozen	2013 Budget	2014 Budget	Increase: 2013 to 2014	
			Dollars	Percent
Total Budget	\$1,000,000	\$1,020,000	\$20,000	2%
- LGA	\$500,000	\$500,000	\$0	0%
= Property Tax Levy	\$500,000	\$520,000	\$20,000	4%

With no increase in LGA, the entire inflationary growth in the city budget will have to be borne by growth in property taxes. Thus, city property taxes in Minnville will increase by four percent—twice the rate of inflation—even though the budget grew by only two percent.

The situation in which city property taxes grows faster than the inflationary growth in the city budget can be averted if LGA is increased to keep pace with inflation. In scenario #2, Minnville's budget increases by two percent from 2013 to 2014 like in scenario #1, but Minnville's LGA is increased by the same inflationary adjustment of two percent.

Scenario #2: LGA Adjusted for Inflation	2013 Budget	2014 Budget	Increase: 2013 to 2014	
			Dollars	Percent
Total Budget	\$1,000,000	\$1,020,000	\$20,000	2%
- LGA	\$500,000	\$510,000	\$10,000	2%
= Property Tax Levy	\$500,000	\$510,000	\$10,000	2%

In this scenario, LGA is able to bear its share of the inflationary growth in the city budget. As a result, the inflationary growth in the city budget is borne equally between property taxes and LGA. Property taxes grow at the same inflationary rate as the city budget, as opposed to twice the rate of inflation, as was the case when LGA was frozen.

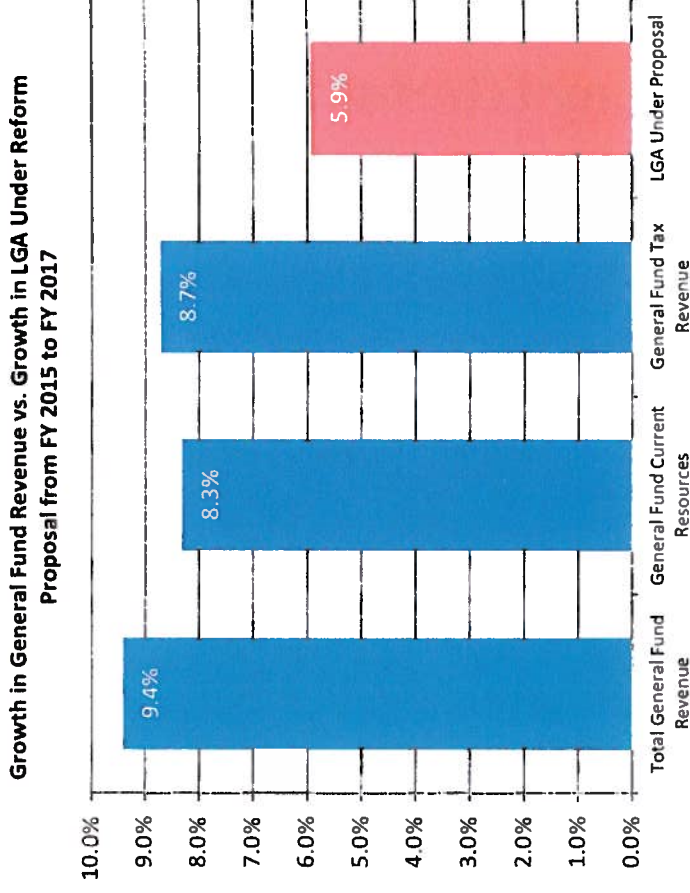
Formula Adjustment – Ensuring Reform Made Today Works Tomorrow

Summary

- The LGA reform proposal contained in HF 1608/SF 1491 provides for an annual adjustment to the state LGA appropriation.
- The appropriation will be adjusted by the implicit price deflator, which is the measure of inflation for state and local governments. The appropriation is also adjusted for population growth.
- The adjustment is required to be between 2.5% and 5%, depending on the rate of inflation.

Why a Formula Adjustment is Needed

- The inflation adjustment ensures cities treated unfairly in the past will move closer to their actual formula need more quickly.
- The adjustment assures that the property tax relief value of LGA does not erode over time, causing higher property tax increases or service cuts.
- Even with the projected growth in inflation and population, under the new proposal, the appropriation adjustment would still be less than projections of general fund revenue growth based on current law (see graph).
- The adjustment makes LGA reform more fair, predictable, defensible, and sustainable.



Continue the Commitment to Property Tax Relief!

Estimated 2014 City Agreement LGA

Amount in parentheses after city name indicates percentage of city population in the legislative district.

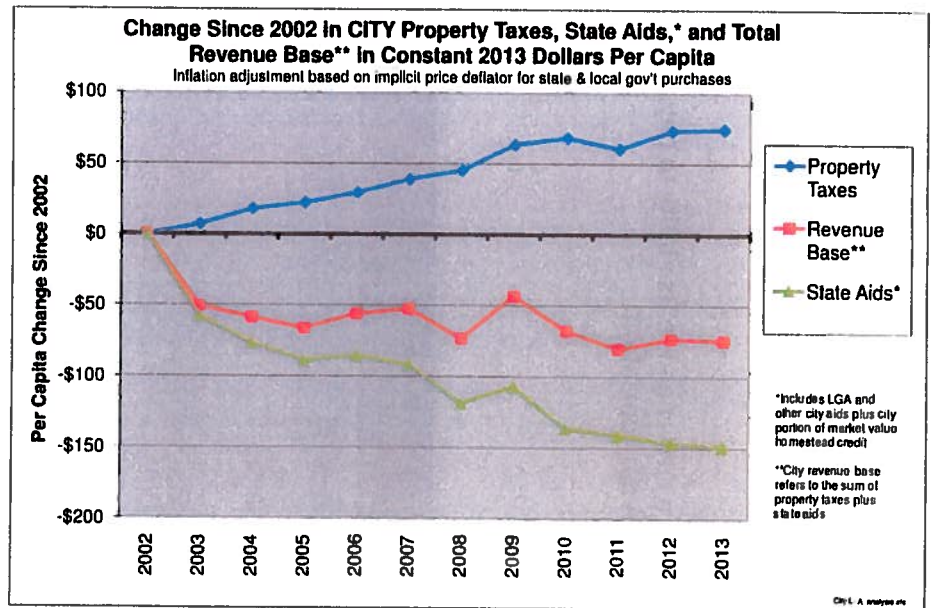
	2013 Certified LGA	Estimated 2014 City Agreement LGA		
		Amount	Change from 2013 Certified LGA	
			Dollar	Percent
<i>Senator David Tomassoni (DFL) -- District 06</i>				
Aurora (100%)	605,415	635,012	29,597	4.9%
Bigfork (100%)	80,363	94,316	13,953	17.4%
Biwabik (100%)	263,385	263,385	-	0.0%
Buhl (100%)	326,569	354,789	28,220	8.6%
Calumet (100%)	118,691	120,052	1,361	1.1%
Chisholm (100%)	2,711,002	3,064,089	353,087	13.0%
Effie (100%)	9,800	13,286	3,486	35.6%
Eveleth (100%)	2,186,891	2,524,460	337,569	15.4%
Floodwood (100%)	133,152	151,226	18,074	13.6%
Gilbert (100%)	685,125	706,195	21,070	3.1%
Hibbing (100%)	7,994,316	7,994,316	-	0.0%
Hoyt Lakes (100%)	360,759	391,223	30,464	8.4%
Iron Junction (100%)	12,230	12,315	85	0.7%
Keewatin (100%)	343,738	378,042	34,304	10.0%
Kinney (100%)	59,925	59,925	-	0.0%
Leonidas (100%)	34,670	34,670	-	0.0%
Marble (100%)	221,504	241,646	20,142	9.1%
McKinley (100%)	51,142	51,142	-	0.0%
Meadowlands (100%)	21,477	23,938	2,461	11.5%
Mountain Iron (100%)	1,156,268	1,280,158	123,890	10.7%
Nashwauk (100%)	403,480	403,480	-	0.0%
Tower (1%)	80,156	87,693	7,537	9.4%
Virginia (100%)	4,062,905	4,931,178	868,273	21.4%
Warba (100%)	12,403	13,525	1,122	9.0%



Achieving True LGA Reform= New Formula +\$80 Million+ Inflation

The Need for LGA

- Local Government Aid (LGA) assists cities with low property tax wealth and/or greater needs, ensures reasonable property tax rates, and provides the city services necessary for economic growth.
- 2013 Local Government Aid is \$139 million less than what was appropriated in 2002.
- Decreases in LGA funding have led to property tax increases.



LGA Reform Requires At Least \$80 Million More

- Even with an additional \$80 million above current funding, the LGA program is still \$59 million short of what was appropriated in 2002.
- \$80 million in additional funding will create more fairness by including 24 more communities in the program that had been left out.
- Prevents 640 cities from losing aid under current law at the current inadequate appropriation.

Inflation Adjustment Ensures the Reform Made Today Works Tomorrow

- Without an adjustment for inflation and population growth, growth and future costs will quickly erode the benefits of the LGA appropriation increase.
- The appropriation adjustment (between 2.5-5%) will move cities treated unfairly in the past closer to their actual formula need amount more quickly.

Reform Package Includes:

- Simpler, Fairer Formula
- Additional \$80 Million
- Inflation and Population Growth Adjustment

This Reform Package is Supported by the
Coalition of Greater Minnesota Cities and Metro Cities!

Proposed LGA Formula Summary

While the new LGA proposal retains the current law's structure by comparing a city's need to its ability to pay, it significantly reforms the need factors and improves the way aid amounts are matched to the state's LGA appropriation.

Need Factors Better Tailored to City Needs

Different size cities have different need factors that are used to determine a city's total need, as shown by the table at right. A city's "unmet need" is its ability to pay (tax capacity multiplied by statewide average tax rate) subtracted from its total need amount. The proposal's need factors better reflect the actual needs of Minnesota cities than does current law.

Factor	Cities under 2,500	Cities over 2,500 and Under 10,000	Cities Over 10,000
Pre-1940 Housing		✓	✓
Household Size		✓	
Peak Population Decline since 1970		✓	
Jobs Per Capita			✓
Percent of housing built between 1940 and 1970			✓
Population		✓	

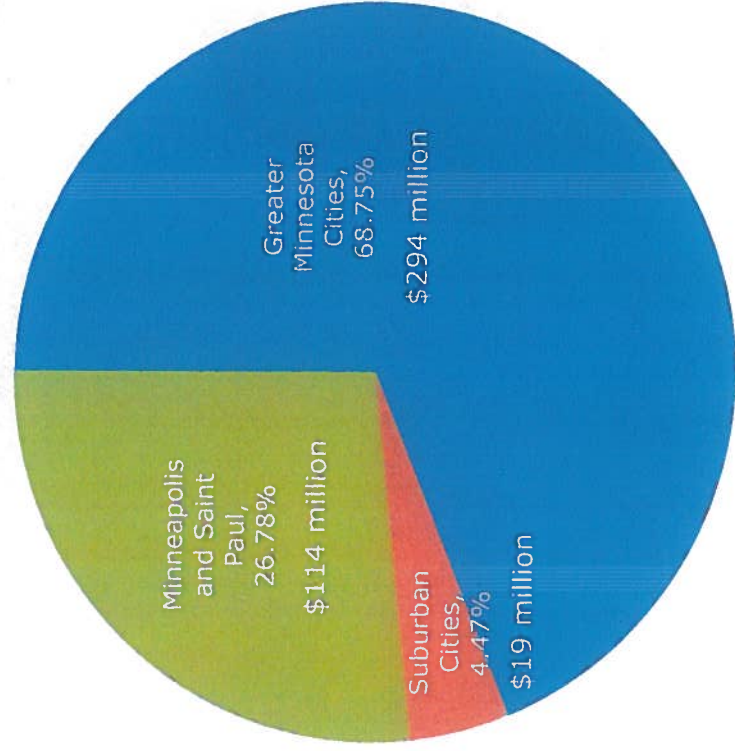
Improved Formula Aid Adjustment

As with the current LGA formula, the combined unmet need of Minnesota cities is greater than the state aid available to fund those needs. As a result, there has always been an adjustment in the formula to match a city's LGA to its share of available funds. Because of an improved method in calculating this adjustment, significantly fewer cities will lose LGA under this proposal compared to current law or the Governor's proposal.

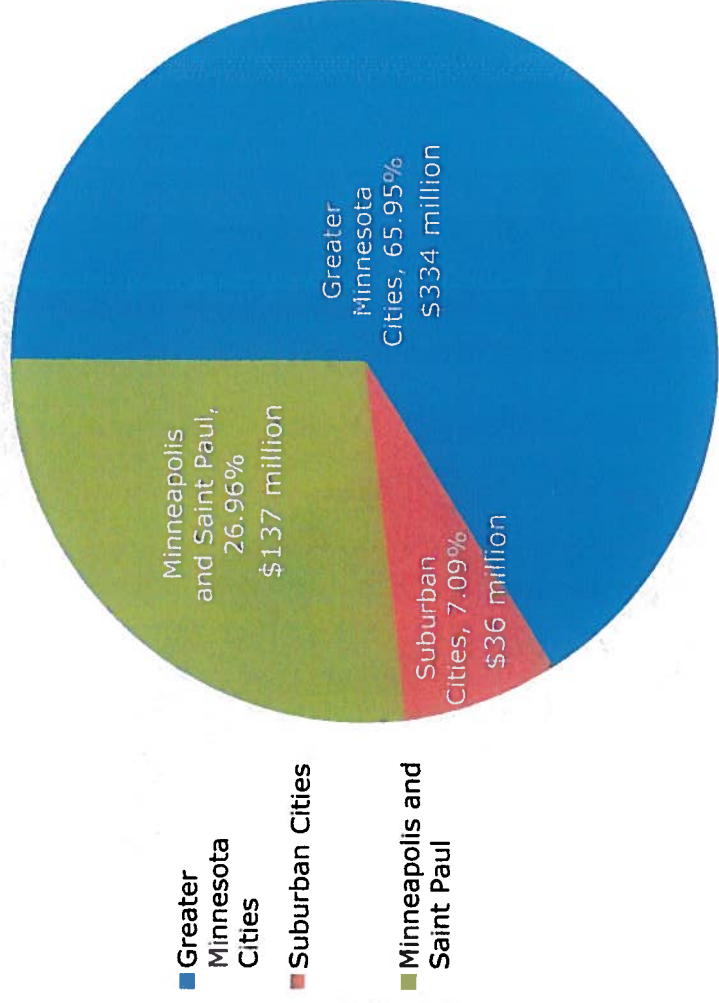
Most Cities See Increases in Future Years

Under the new proposal, a city receiving an LGA increase in 2014 has a current LGA amount that is less than the need defined by the formula. Assuming no change in a city's relative need or tax base, any appropriation increase in future years will result in an increase in that city's LGA. If there are no appropriation increases, that city's LGA funding will stay essentially flat.

Distribution of LGA, Current Law (2013)



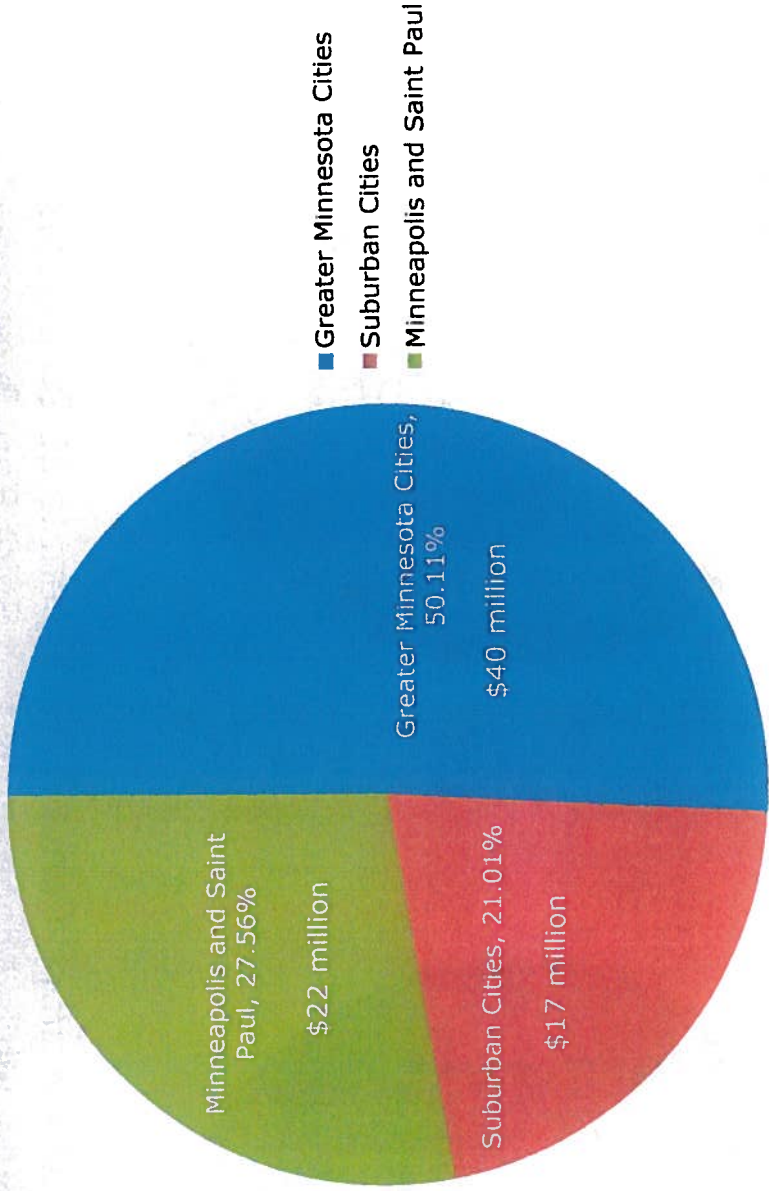
Distribution of City LGA Agreement (2014)



Greater Minnesota share drops from 68.75 percent to 65.95 percent under the new formula, while Minneapolis and Saint Paul increase their share by .18 percentage points. The suburbs increase from 4.47 percent to 7.09 percent.



Distribution of the New \$80 Million



The distribution of the new money results in the Greater Minnesota LGA share going down and the suburban cities' share going up.





For Immediate Release

Mediacom Launches New Generation Broadband Service Across Northern Minnesota

**Digital Families Gain Faster, 50-meg Internet Speeds;
Broadband Boost for Carlton, Lake, Itasca, Pine and St. Louis Counties**

GRAND RAPIDS, MN – March 19, 2013 -- Mediacom Communications announced today that it has more than doubled the speeds of its broadband Internet service to provide homes and businesses throughout its Northern Minnesota service areas with download speeds of 50 megabits-per-second (Mbps) and upload speeds of 5 Mbps. The higher-speed Internet service, Ultra 50, is 150-percent faster than the 20 Mbps service many customers have been using.

Mediacom's Ultra 50 broadband service became available in recent weeks after upgrades to the company's fiber-optic communications network were completed in Cloquet, Eveleth, Hibbing and Two Harbors. Ultra 50 is the result of the cable industry's innovative channel bonding technology known as DOCSIS 3.0 that uses a cable modem to deliver faster Internet speeds used for bandwidth-intensive applications such as movie downloads, file sharing, and online gaming. The 50-meg service is ideal for homes and businesses where multiple devices or multiple Internet connections are used to send or receive data.

"From the largest cities to the smallest towns, Americans are consuming more bandwidth and demanding a faster Internet," Jensen said. "With recent launches, Mediacom delivers the high speeds of Ultra 50 broadband service through an extensive area of Minnesota, from Worthington to Litchfield in the southern and central areas of the state, and now extending north to include communities in Itasca, St. Louis, Carlton, Pine and Lake Counties."

The DOCSIS technology of Mediacom Ultra 50 allows a consumer to download a high-definition (HD) movie (6 gigabytes) in just 16 minutes. That compares to the 4.4 hours it would take to download the same movie using a common 3 Mbps DSL service from a traditional phone company, according to Mediacom Regional Vice President Bill Jensen.

"This broadband boost demonstrates Mediacom's commitment to continually invest in technology and expand our fiber network to ensure that consumers in all of our service areas can connect to reliably fast broadband service," Jensen said.

Jensen explained that new Internet applications have rapidly developed and changed how today's consumers use the Internet. "We watch news, sports and movies online; we frequently check updates for weather or sports scores, find recipes, play games, share digital photos with friends and family. The list goes on and on."

Mediacom was among the earliest cable companies to offer the new-generation broadband service of DOCSIS 3.0, which it makes available to both residential and business customers. Each Mediacom Ultra 50 customer is equipped with a new, more powerful modem configured for the higher Internet speeds.

"The broadband speed of Mediacom Ultra 50 is in greater demand today than even just 12 months ago," Jensen said. "It has become essential for families using multiple devices that connect to the Internet -- tablets, laptops, smart phones or gaming consoles. With the dramatic changes in the way today's families and businesses use the Internet, the need for more bandwidth has never been greater. The speed of Ultra 50 delivers a reliably better experience for the whole family or office."

Mediacom Communications is the nation's eighth largest cable television company and one of the leading cable operators focused on serving the smaller cities in the United States, with a significant concentration in the Midwestern and Southeastern regions. Mediacom Communications offers a wide array of broadband products and services, including traditional and advanced video services such as digital television, video-on-demand, digital video recorders, high-definition television, as well as high-speed Internet access and phone service. Through Mediacom Business, the Company offers affordable broadband communications solutions that can be tailored to any size business.

###

IMPACT AREA: higher-speed broadband service, Mediacom Ultra 50, is available to residents and businesses in the areas listed below.

Carlton County: Cloquet, Esko, Carlton, Moose Lake, Moose Lake Township, Thomson, Windemere

Itasca County: Calumet, Cohasset, Coleraine, Grand Rapids, Harris Township, Keewatin, La Prairie, Marble, Nashwauk, Taconite

Lake County: Beaver Bay, Silver Bay, Two Harbors

Pine County: Sturgeon Lake

St. Louis County: Hibbing, Chisholm, Buhl, Kinney, Mt. Iron, Virginia, Fayal, Eveleth, Gilbert, McKinley, Biwabik, Aurora, Hoyt Lakes, White Township, Proctor, Midway Township, Hermantown

Contacts:

Phyllis Peters

Communications Director, Mediacom

(o) 515-246-2295 | (mobile) 515-707-7148

ppeters@mediacomcc.com

COUNCIL LETTER 040113-IX

PERSONNEL COMMITTEE

CLOSED MEETING

DATE: March 28, 2013

FROM: Personnel Committee

Craig J. Wainio
City Administrator

The City Council may go into Closed Session to discuss the negotiation being under taken with management personnel. The meeting is being closed pursuant to 2012 Minnesota Statutes 13D.03

The following provisions of State Statute must be observed:

- Before closing the meeting, the council must decide to close the meeting by a majority vote at a public meeting and must announce the time and place of the closed meeting.
- Before closing the meeting, the council must state on the record the specific grounds permitting the meeting to be closed and describe the subject to be discussed.
- A written record of all people present at the closed meeting must be available to the public after the closed meeting.
- The meeting must be tape-recorded.
- The recording must be kept for two years after the contract is signed.
- The recording becomes public after all labor agreements are signed by the city council for the current budget period.