

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, APRIL 2, 2007 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
  - II. Consent Agenda
    - A. Minutes of the March 19, 2007 Regular Meeting (#1-17)
    - B. Communications (#57-58)
    - C. Receipts
    - D. Bills and Payroll
  - III. Public Forum
    - A. Public Hearing – 2007 Street Projects (#18-22)
    - B. Public Hearing – Unity Second Addition
  - IV. Committee and Staff Reports
    - A. Mayor’s Report
      - 1. Redirect County Grant (#23)
    - B. City Administrator’s Report
    - C. Director of Public Works Report
    - D. Director of Parks and Recreations Report
    - E. Fire Department
      - 1. Paid On Call Fire Fighter(#24)
      - 2. Amendment to Bylaws (#25)
    - F. Sheriff’s Department Report
    - G. City Engineer’s Report
      - 1. Unity 2 Expansion Phases (#26)
      - 2. Spruce/Aspen/County 7 Area Intersection(#27)
    - H. Utility Advisory Board
      - 1. Service Territory Acquisition(#28-38)
    - I. Liaison Reports
  - V. Unfinished Business
    - A. Resolution 14-07 Range Fiber Network (#39)
  - VI. New Business
    - A. Resolution 17-07 Ordering Improvement (#40-42)
    - B. Resolution 18-07 Ordering Improvement (#43-44)
    - C. Ordinance 02-07 Amending Section 154 (#45-47)
    - D. One Day Liquor License (#48-51)
    - E. Approve Employment Agreement
    - F. Iron Range Veterans Memorial (#52)
    - G. IRRR Housing Participation (#53)
    - H. Mineland/DNR Reclamation Grant (#54)
    - I. Real Estate Consultant (#55)
    - J. Financial Consultant (#56)
    - K. Communications (#57-58)
  - VII. Open Discussion
  - VIII. Announcements
    - A. Board of Review Meeting – Tuesday, April 10<sup>th</sup> – 6:30 – 7:30 p.m.
  - IX. Adjourn
- # Denotes page number in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
MARCH 19, 2007

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Larry Nanti, Recreation Director; Don Kleinschmidt, Director of Public Works; Rod Flannigan, City Engineer; Sam Aluni, City Attorney; and Rick Feiro, Sergeant.

The Mayor welcomed the audience and the television viewing audience to the meeting.

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

1. Remove the following item from the agenda:  
VI. F. Culverts for Driveways and Curb Cuts  
  
Add the following items to the agenda:  
V. A. Street Committee Recommendation regarding Assessments  
VI. E. Greenwood Cemetery Association
2. Approve the minutes of the March 5, 2007, City Council meeting as submitted.
3. 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.
4. To acknowledge the receipts for the period March 1-15, 2007, totaling \$188,033.44, (a list is attached and made a part of these minutes).
5. To authorize the payments of the bills and payroll for the period March 1-15, 2007, totaling \$180,957.30, (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.

During the Mayor's report, he stated that he got a phone call from Gary Cerkvnik informing the City Officials that the City was awarded a grant for \$200,000 from the Minnesota Department of Employment and Economic Development (DEED) Program for the Mountain Timber Wood Pellet Plant. The Mayor thanked Gary Cerkvnik and Craig Wainio for the work completed on the grant and the promotion of the grant to receive approval.

It was moved by Skalko and supported by Zupancich to direct Benchmark Engineering to begin the engineering work for the Downtown Streetscape Renovation Project with funds received through the T-21 Federal Grant Project in the amount of \$140,000 and the City budgeted amount of \$35,000. The motion carried unanimously on a roll call vote.

Councilor Roskoski questioned the City Administrator about any responses received regarding the advertisements for Emergency Medical Technicians (EMT). The City Administrator said that there have been two interested parties regarding the EMT positions.

The following quotes were received for the painting and patching of the ceiling and walls on the main floor of the library:

Swanson & Youngdale	\$19,705.00
Lakehead Painting Company	\$29,200.00

It was moved by Stanaway and supported by Zupancich to award Swanson & Youngdale the painting and patching project for the ceiling and walls on the main floor of the Mountain Iron Public Library at their low quote of \$19,705.00. The motion carried unanimously on a roll call vote.

Councilor Roskoski questioned the Director of Public Works regarding the upgrade of the lights at the Senior Center. The Director of Public Works said that all of the inefficient lights were removed and replaced with high efficiency fluorescent lights. Councilor Roskoski asked if part of the lighting project was being paid for from the Electric Fund as part of the Conservation Program. The Director of Public Works said that the Electric Fund did not pay for any part of the lighting project at the Senior Center because all of the available Conservation Program funds were allocated at the Library Lighting Project.

It was moved by Skalko to authorize the Messiah Lutheran Church to install a basketball standard on the east side of their building in the parking lot with the appropriate indemnification form being executed. After further discussion, Mayor Skalko withdrew his motion.

It was the consensus of the Council to have the Messiah Lutheran Church review other options regarding the installation of a basketball standard and come back to the City Council for the first meeting in April.

The Council reviewed the Sheriff's Department statistic report for the month of February.

Councilor Roskoski questioned the City Attorney regarding potential problems with the closed session at the end of the meeting because of how the negotiations were opened. The City Attorney stated that there were no problems with the scheduled closed session.

During the Liaison Reports, Councilor Roskoski asked Councilor Stanaway regarding an update from the last Library Board meeting. Councilor Stanaway said that the only issue discussed was the Library Painting Project.

Councilor Prebeg asked the Recreation Director if the Park and Recreation Board's recommendation for a wage increase in the part-time summer laborers. The Recreation Director said that he would be presenting the recommendation to the Personnel Committee before presenting the recommendation to the Council for approval.

Mayor Skalko asked the Recreation Director if he had spoken with the Mountain Iron-Buhl High School Board Member, Wally Kostich, about the charges for the field usage. Councilor Prebeg said that Mr. Kostich would be willing to talk to the City Representatives. Councilor Prebeg said that the City should set up a meeting with the Building and Grounds Committee for the Mountain Iron-Buhl School District.

It was moved by Skalko and supported by Zupancich to accept the special assessments as recommended by the Street and Alley Committee as follows:

10% Assessment

Unity Drive from County Road 7 to Mountain Iron Drive  
Enterprise Drive North from Nichols Avenue to County Highway 7  
Unity Drive from Emerald Avenue to approximately 1000 feet to the west

25% Assessment

Locomotive Street from Mountain Avenue to west edge of Town of Grant plat  
Granite Street from Mineral Avenue to Marble Avenue  
Coral Street from Marble Avenue to Mountain Avenue

75% Assessment

Heather Avenue from Unity Drive to Centennial Drive  
Centennial Drive from Heather Avenue to approximately 400 feet to the east  
Tamarack Drive from County Road 7 to approximately 600 feet to the east

90% Assessment

Heather Avenue from Centennial Drive to south end of street

The motion carried with Councilor Roskoski voting no.

At 7:11 p.m., Councilor Roskoski left the meeting.

At 7:13 p.m., Councilor Roskoski returned to the meeting.

Richard Norvold, Project Consultant for Iron Range Community FiberNet, was present to discuss a non-binding resolution of commitment to the Iron Range Community FiberNet. He said that this is a collaboration of 13 Iron Range Cities that have decided to come together, with Mountain Iron representing 8% of the total project. The total estimated cost of the project is \$49 million. A bonding bill has been approved for \$10 million toward the project. The Iron Range Community FiberNet would contribute \$762,038 through General Obligation Bonds over a 25 year period with an approximate payment of \$56,256 per year for the bonds.

It was moved by Prebeg and supported by Stanaway to table the request of the Iron Range Community FiberNet and direct the City Administrator to come up with as much information as possible to assist the Council in making an educated decision regarding the conditional commitment to the Iron Range Community FiberNet. The motion carried with Councilor Roskoski voting no.

It was moved by Prebeg and supported by Zupancich to adopt Resolution Number 15-07, Receiving Report and Calling Hearing on Improvements for Unity Second Addition, (a copy is attached and made a part of these minutes). The motion carried with Councilor Roskoski voting no.

It was moved by Skalko and supported by Zupancich to adopt Resolution Number 16-07, JOBZ Business Subsidy Policy and Criteria, (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Stanaway and supported by Prebeg to approve the Cigarette License for Walgreen Company, dba Walgreens #10501, for the remainder of 2007. The motion carried unanimously.

At 8:02 p.m., Councilor Roskoski left the meeting.

At 8:04 p.m., Councilor Roskoski returned to the meeting.

It was moved by Skalko and supported by Zupancich to authorize the 2007 allocation of \$3,000 each to the Calvary Cemetery Association and the Greenwood Cemetery Association contingent on both Associations submitting the appropriate financial information to the City. The motion carried unanimously on a roll call vote.

The Council reviewed the sample business subsidy policy put out by the Minnesota Department of Employment and Economic Development.

The Council reviewed the list of communications.

During the open discussion, Councilor Prebeg said that some residents have contacted him regarding the truck traffic traveling on Mineral Avenue through South Grove and Downtown Mountain Iron. It was the consensus of the Council to have the Street and Alley Committee look at the actual route that the trucks are using, the possible addition of signage, and review of the current ordinances.

Also during the open discussion, Councilor Roskoski commented on the March 7, 2007, meeting to update the City's Long Range Plan, saying that he was disappointed that all of the Council members were not in attendance. He said that He and the Mayor were the only ones representing the Council. The Mayor said that the meeting was poorly attended with only about seven citizens attending.

The Mayor announced that there would be a Merritt Days meeting on March 28, 2007 at 6:00 p.m. at the Mountain Iron City Hall.

At 8:17 p.m., it was moved by Prebeg and supported by Zupancich to recess the regular meeting and go into closed meeting to discuss management contract negotiations. The motion carried.

The Mayor announced that they would be taking a short recess before the close meeting would begin.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA  
Municipal Services Secretary

At 8:35 p.m., Mayor Skalko called the closed session to order with all Council members present and Council Negotiator Louis Russo.

At 8:38 p.m., Mayor Skalko left the meeting.

At 8:49 p.m., Mayor Skalko returned to the meeting.

The Council discussed the following items:

- A. Salary employee review of our contract staff.
- B. Larry Nanti's work situation.

It was moved by Zupancich and supported by Prebeg to adjourn the closed session and reconvene the regular meeting. The motion carried unanimously.

At 10:02 p.m., it was moved by Prebeg and supported by Skalko that the meeting be adjourned. The motion carried unanimously.

Respectfully submitted:

Gary Skalko  
Mayor

[www.mtniron.com](http://www.mtniron.com)

## COMMUNICATIONS

1. Mountain Iron-Buhl Class of 2007, a thank you for the contribution to their All Night Grad Party.
2. St. Louis County, forwarding the 2008 Community Development Block Grant funding time line.
3. Virginia Regional Medical Center Foundation, a thank you for the contribution to the Capital Campaign Fund.
4. City of Mountain Iron, Planning and Zoning Commission, public hearing notice for the March 26, 2007, City Code revisions.

## Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	124,366.40
METER DEPOSITS	ELECTRIC	850.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	800.00
BUILDING RENTALS	SENIOR CENTER	100.00
MISCELLANEOUS	REIMBURSEMENTS	45,211.93
CAMPGROUND RECEIPTS	FEES	85.00
BUILDING RENTALS	COMMUNITY CENTER	250.00
LICENSES	ANIMAL	30.00
CD INTEREST	CD INTEREST 101	1,062.43
CD INTEREST	CD INTEREST 103	1,246.77
CD INTEREST	CD INTEREST 378	522.37
CD INTEREST	CD INTEREST 602	79.47
CD INTEREST	CD INTEREST 603	113.62
CHARGE FOR SERVICES	SEWER-CHARGE FOR SERVICES	295.91
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	4,910.54
PERMITS	BUILDING	25.00
MISCELLANEOUS	FAX CHARGES	8.00
MISCELLANEOUS	ELECTRICAL INSPEC FORMS	1.00
BUILDING RENTALS	NICHOLS HALL	35.00
METER DEPOSITS	WATER	15.00
MISCELLANEOUS	ELECTRIC RECONNECT FEE	25.00
INTERGOVERNMENTAL REVENUE	STATE FIRE AID	8,000.00
Summary Totals:		<u>188,033.44</u>

2007

7



Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
03/07	03/16/2007	34640	130011	MOUNTAIN IRON POSTMASTER	603-20200	298.18
03/07	03/20/2007	34641	10013	A T & T INFORMATION SYSTEMS	602-20200	101.12
03/07	03/20/2007	34642	10008	AIRGAS NORTH CENTRAL	101-20200	115.93
03/07	03/20/2007	34643	130017	AMERICAN BANK	101-20200	308.12
03/07	03/20/2007	34644	10010	ARROW AUTO	101-20200	1,049.85
03/07	03/20/2007	34645	3018	ARROWHEAD REGIONAL COMPUTING	101-20200	100.00
03/07	03/20/2007	34646	10023	ARROWHEAD REGIONAL DEVELOPME	101-20200	2,340.52
03/07	03/20/2007	34647	20022	BENCHMARK ENGINEERING INC	101-20200	7,380.00
03/07	03/20/2007	34648	30014	CALVARY CEMETERY ASSOCIATION	101-20200	3,000.00
03/07	03/20/2007	34649	3013	CARL ANDERSON	604-20200	142.36
03/07	03/20/2007	34650	30061	CELLULARONE	101-20200	484.07
03/07	03/20/2007	34651	3022	CHAD STEWART	101-20200	50.00
03/07	03/20/2007	34652	3021	CONNIE CHRISTENSON	101-20200	100.00
03/07	03/20/2007	34653	30053	CONSOLIDATED TRADING COMPANY	101-20200	1,068.34
03/07	03/20/2007	34654	110005	DON KLEINSCHMIDT	602-20200	274.30
03/07	03/20/2007	34655	40030	DULUTH CLINIC	604-20200	20.00
03/07	03/20/2007	34656	500012	ERA LABORATORIES INC	602-20200	369.35
03/07	03/20/2007	34657	3014	ESTATE OF PHYLLIS HEIKKILA	604-20200	119.99
03/07	03/20/2007	34658	60026	FASTENAL COMPANY	101-20200	357.86
03/07	03/20/2007	34659	60012	FLOOR TO CEILING STORE	301-20200	1,072.42
03/07	03/20/2007	34660	3016	GINA JOHNSON	101-20200	50.00
03/07	03/20/2007	34661	70032	GREEN TREE BY	101-20200	69.95
03/07	03/20/2007	34662	70006	GREENWOOD CEMETERY	101-20200	3,000.00
03/07	03/20/2007	34663	140013	HD WATERWORKS SUPPLY	601-20200	428.25
03/07	03/20/2007	34664	90010	INTERNATIONAL INSTITUTE OF	101-20200	115.00
03/07	03/20/2007	34665	60018	JILL M FORSEEN	101-20200	597.32
03/07	03/20/2007	34666	3012	JODI WEIBERG	604-20200	155.96
03/07	03/20/2007	34667	7016	JOYCE DRIEMAN	604-20200	85.81
03/07	03/20/2007	34668	120006	L & M SUPPLY	604-20200	589.94
03/07	03/20/2007	34669	3015	LAURIE REINI	101-20200	100.00
03/07	03/20/2007	34670	120003	LEAGUE OF MINNESOTA CITIES	101-20200	80.00
03/07	03/20/2007	34671	120001	LEFTY'S RENT-A-TENT	101-20200	260.00
03/07	03/20/2007	34672	3039	MARGARET SOYRING	101-20200	50.00
03/07	03/20/2007	34673	130004	MESABI DAILY NEWS	101-20200	1,393.68
03/07	03/20/2007	34674	140026	MINNESOTA ENERGY RESOURCES	602-20200	7,703.54
03/07	03/20/2007	34675	130008	MINNESOTA MUNICIPAL UTILITIES	101-20200	65.00
03/07	03/20/2007	34676	130009	MINNESOTA POWER	604-20200	2,610.00
03/07	03/20/2007	34677	130013	MOUNTAIN IRON FIREMEN'S RELIEF	101-20200	10,700.00
03/07	03/20/2007	34678	130015	MOUNTAIN IRON PUBLIC UTILITIES	601-20200	14,559.67
03/07	03/20/2007	34679	150014	ONE CALL CONCEPTS INC	604-20200	18.10
03/07	03/20/2007	34680	150003	OVERHEAD DOOR	101-20200	198.00
03/07	03/20/2007	34681	160038	PITNEY BOWES	101-20200	274.60
03/07	03/20/2007	34682	170001	QWEST	602-20200	374.93
03/07	03/20/2007	34683	180056	RANGE PAINT	301-20200	10.60
03/07	03/20/2007	34684	6006	SAINT LOUIS COUNTY	604-20200	154.67
03/07	03/20/2007	34685	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	35,000.00
03/07	03/20/2007	34686	200020	THE TRENTI LAW FIRM	101-20200	1,833.50
03/07	03/20/2007	34687	3019	TINA NEUMANN	101-20200	100.00
03/07	03/20/2007	34688	3036	ULLAND BROS. INC.	101-20200	150.00
03/07	03/20/2007	34689	210001	UNITED ELECTRIC COMPANY	604-20200	2,864.84
03/07	03/20/2007	34690	3020	VIRGINIA AREA ALPINE SKI TEAM	101-20200	100.00
03/07	03/20/2007	34691	220020	VISA OR AMERICAN BANK CC PMT	301-20200	9,632.86
03/07	03/20/2007	34692	3017	WALTER HAGLUND	101-20200	100.00
03/07	03/20/2007	34693	230028	WISCONSIN ENERGY CONSERVATION	604-20200	54.75

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
Totals:						<u>112,231.38</u>
				Payroll-PP Ending 3/9/07		58,541.90
				Electronic Trans.-Sales Tax		<u>10,184.02</u>
				TOTAL EXPENDITURES		<u>\$180,957.30</u>



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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

## RESOLUTION NUMBER 15-07

### RECEIVING REPORT AND CALLING HEARING ON IMPROVEMENT

**WHEREAS**, pursuant to Resolution Number 13-07 of the City Council adopted March 5, 2007, a report has been prepared by Benchmark Engineering with reference to the development of the Northeast Quarter of the Northwest Quarter of Section 14, Township 58 North, Range 18 West in the City of Mountain Iron as single family housing lots as general presented in Attachment A, which includes the installation of water lines, waste water lines, storm sewer system, paved roads and curb and gutter, and this report was received by the City Council on March 19, 2007, and

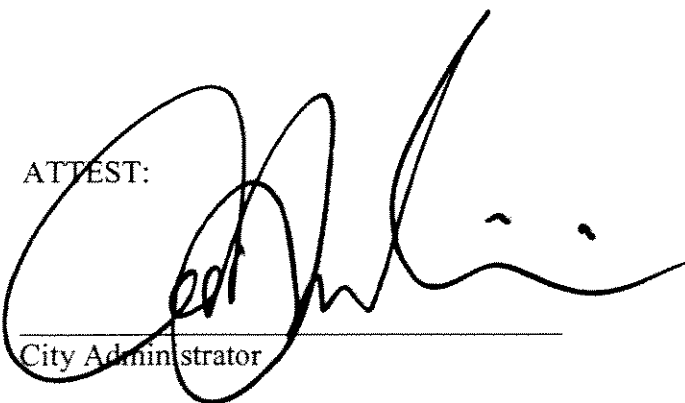
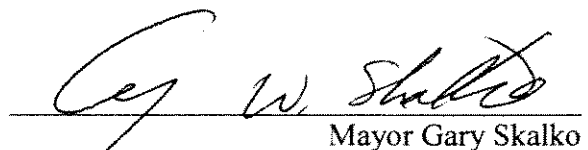
**WHEREAS**, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible,

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

1. The City Council will consider the improvement of such streets in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$1,600,000.
2. A public hearing shall be held on such proposed improvement on the 2<sup>nd</sup> day of April, 2007, in the Mountain Iron Room of the Community Center at 6:30 p.m. and the City Administrator shall give mailed and published notice of such hearing and improvement as required by law.

**DULY ADOPTED BY THE CITY COUNCIL THIS 19<sup>TH</sup> DAY OF MARCH, 2007.**

ATTEST:

  
\_\_\_\_\_  
City Administrator  
\_\_\_\_\_  
Mayor Gary Skalko

RESOLUTION NUMBER 16-07

# JOBZ BUSINESS SUBSIDY POLICY AND CRITERIA

Policy Number 2004-03

Adopted: June 21, 2004  
Amended: March 19, 2007

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA,** that it shall adopt the following Business Subsidy Policy and Criteria:

Preamble. Whenever the City of Mountain Iron invests public funds or agrees to voluntarily forfeit tax or other revenue that benefit private development projects, those projects should create the greatest number of FTE jobs that pay a living wage possible for the residents of the City of Mountain Iron and the surrounding region. Mountain Iron policy makers and economic development agents must keep the critical need for living wage FTE jobs the priority whenever public dollars are invested in a private business or development project.

Business Subsidy Public Purpose. The public purposes of this policy shall be to accomplish the following on behalf of the City of Mountain Iron:

1. Enhance economic growth in this area
2. Create high quality job growth in this area
3. Retain high quality jobs in this area
4. Stabilize the community

This policy is adopted in compliance with M.S. § 116J.994 Subd. 2. A copy of the policy shall be submitted to the Department of Employment and Economic Development along with the first annual Business Subsidy report.

Principles of Business Subsidy Implementation. The City of Mountain Iron shall target its business subsidy assistance to businesses that demonstrate a clear and ongoing commitment to the community by providing living wage jobs to their employees, by giving priority to those businesses over businesses that have not traditionally paid living wages.

The City of Mountain Iron shall focus its business subsidy assistance only to businesses which agree to comply with annual business subsidy reporting requirements as required by Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320; and/or as required by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995.

All other things being equal and to the extent legally possible, the City of Mountain Iron shall give preferential treatment for business subsidies to business that engage in responsible labor relations defined as neutrality on union organizing.

Although the primary purpose of this policy is the creation of living wage jobs, we cannot achieve our economic development goals without a trained and ready workforce and adequate childcare. The city shall commit to assist businesses to obtain trained and work-ready employees through the DEED Workforce Development Centers; MNSCU and other services; and to facilitate access to childcare.

The City of Mountain Iron agrees to require that a qualified business shall not compete with or displace local businesses currently operating within the subzone community.

## I. DEFINITIONS

“Authorized Business Subsidy Signatory” means the City Council who is authorized by this Policy to execute business subsidy agreements on behalf of the City of Mountain Iron.

“JOBZ Business Subsidy” means tax exemptions or tax credits available to a qualified business located in a job zone under the Job Opportunity Building Zone (JOBZ) statute M.S. §§ 469.310 - 469.320. JOBZ Business Subsidies shall include:

1. Exemption from individual income taxes as provided under M.S. § 469.316; and
2. Exemption from corporate franchise taxes as provided under M.S. § 469.317; and
3. Exemption from the state sales and use tax and any local sales and use taxes on qualifying purchases as provided in M.S. § 297A.68, subdivision 37; and
4. Exemption from the state sales tax on motor vehicles and any local sales tax on motor vehicles as provided under M.S. § 297B.03; and
5. Exemption from the property tax as provided in M.S. § 272.02, subdivision 64; and
6. Exemption from the wind energy production tax under M.S. § 272.029, subdivision 7; and
7. The jobs credit allowed under M.S. § 469.318.

“Business Subsidy” means a state or local government agency grant, contribution of personal property, real property, infrastructure, the principal amount of a loan at rates below those commercially available to the recipient, any reduction or deferral of any tax or any fee, any guarantee of any payment under any loan, lease, or other obligation, or any preferential use of government facilities given to a business, and as defined by the Business Subsidy statute M.S. §§ 116J.993 - 116J.995. Business subsidies shall include, but not be limited to:

1. Loan
2. Grant
3. Tax abatement
4. TIF or other tax reduction or deferral
5. Guarantee of payment

6. Contribution of property or infrastructure
7. Preferential use of governmental facilities
8. Land contribution
9. Other specified subsidy.

Business subsidies do not include the following:

1. assistance of less than \$25,000.
2. assistance that is generally available to all businesses or to a general class of similar businesses, such as a line of businesses, size, location or similar general criteria;
3. public improvements to buildings or lands owned by the City of Mountain Iron that serve a public purpose and do not principally benefit a single business or defined group of businesses at the time the improvements are made;
4. Property polluted by contaminants being redeveloped as defined in M.S. § 116J.552, subd. 3.
5. assistance provided for the sole purpose of renovating old or decaying building stock or bringing it up to code and assistance to designated historic preservation sites or districts, provided that the assistance is equal to or less than 50% of the total cost of the development;
6. assistance to provide job readiness and training services;
7. assistance for housing;
8. assistance for pollution control or abatement, including assistance from a TIF hazardous substances subdistrict;
9. assistance for energy conservation;
10. tax reductions resulting from conformity with federal tax law;
11. workers compensation and unemployment compensation;
12. benefits derived from regulation;
13. indirect benefits derived from assistance to educational institutions;
14. funds from bonds allocated under M.S., Chapter 47A refunding bonds and 501(c)(3) bonds;
15. assistance for collaboration between a Minnesota higher education institution and a business;
16. assistance from a tax increment financing soils condition district as defined under M.S.469.174, subd.19;
17. redevelopment when the Recipients or Qualified Business' investment in the purchase of the site and in site preparation is 70 percent or more of the assessor's current years estimated market value;
18. general changes in tax increment financing law and other general tax law changes of a principally technical nature;
19. federal assistance until the assistance has been repaid to and reinvested by the local governmental unit;
20. funds from dock or wharf bonds issued by a seaway port authority;
21. business loans or loan guarantees of \$75,000 or less; and
22. Federal loan funds provided through the U.S. Economic Development Administration.

“Business Subsidy Report” means the annual reports submitted each year for each business receiving a business subsidy in the community. The report is submitted by the LGU in order to comply with M.S. § 116J.994 Subd. 7. (b).

“Criteria” means the equitably applied, uniform standards by which the Economic Development Agency and /or the City bases its decision to award any business subsidy to a private business or development project establishing a business and creating jobs in the City of Mountain Iron.

“DEED” means Minnesota Department of Employment and Economic Development.

“Economic Development Agent” means the city department, local or regional economic development agency or other authorized entity that is empowered to solicit, negotiate and form business subsidy agreements on behalf of the City of Mountain Iron. The Economic Development Agent for the City of Mountain Iron shall be the City Council, hereinafter “Agent”.

“Health Insurance” means basic health insurance which shall include: employer 100% premium payment for individual coverage or 80% premium payment for family coverage; employer minimum payment for 80% of office visits, emergency care, surgery and prescriptions; a maximum yearly deduction of \$1,000, and maternity coverage.

“Living Wage Job” shall mean a job which pays wages and health benefits that total at least the rate of 110% of the current poverty level for a family of four.

“Local Governmental Unit” hereinafter LGU, means the statutory or home rule charter city, county, town, iron range resources and rehabilitation agency, regional development commission.

“Operation Start Date” shall mean the date by which the business begins its operations in the zone as evidenced by constructing a facility or relocating to an existing building in a facility and beginning revenue generating operations and/or hiring employees.

“Qualified Business” means a person that carries on a trade or business at a place of business located within a Job Opportunity Building Zone as referenced in M.S. § 469.310 Subd. 11; and complies with the reporting requirements specified by M.S. § 469.313 Subd. 2. (5); and shall comply with the criteria in Section II.C. of this agreement; and shall also mean “Recipient” as defined by Business Subsidy law. A qualified business shall not include a retail business, a low-wage service business, an agricultural production business, or a business that pays less than the living wage defined in this agreement.

“Recipient” means any business entity that receives a business subsidy as defined by M.S. § 116J.993 and that has signed a Business Subsidy Agreement with a City.

“Relocating Business” A business relocating from another Minnesota non-JOB Zone location.

“Relocation Agreement” means a binding written agreement between a relocating qualified business and the commissioner of DEED pledging that the qualified business increase full-time

or full-time equivalent employment in the first full year of operation within the job opportunity building zone by a minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and provides for repayment of all tax benefits if these requirements are not met.

“Subzone” means the parcel or parcel of land designated by the Commissioner of Employment and Economic Development within a Job Opportunity Building Zone within the boundaries of Mountain Iron to receive certain tax credits and exemptions specified under M.S. § 469.310-469.320.

“Zone” means a Job Opportunity Building Zone or an Agricultural Processing Facility Zone designated by the commissioner of Employment and Economic Development under M.S. § 469.314.

## II. BUSINESS SUBSIDY REQUIREMENTS

A. Business Subsidy Policies. The City of Mountain Iron adopts the following:

1. Any time the City of Mountain Iron provides a business subsidy to a Qualified Business or Recipient that business is subject to the wage levels, job creation and other criteria set forth in this policy and specified in the Business Subsidy Agreement made with the LGU. In the event of a conflict between the requirements of the Business Subsidy statute M.S. §§ 116J.993 - 116J.995 and the JOBZ statute M.S. §§ 469.310 - 469.320, the JOBZ statute shall supersede.
2. The City of Mountain Iron requires that all FTE within a JOBZ area shall be compensated at not less than 110% of the federal poverty rate for a family of four. Compensation shall include wages and benefits.
3. The City of Mountain Iron requires that businesses meeting and maintaining business subsidy agreement requirements shall do so through December 31, 2015.
4. The qualified business shall be identified in the Business Subsidy Agreement as a:
  - a. Trade or business located in and operating in a JOBZ or APF Zone at the time of Zone designation; OR
  - b. New trade or business start-up located within the subzone; OR
  - c. Business expanding in the subzone which is a business that maintains its current operations in its current location and is expanding its operations and its payroll within the City of Mountain Iron subzone; OR
  - d. A business relocating from another state; OR
  - e. A business relocating from another Minnesota non-Zone location specifying the City.
5. The City of Mountain Iron may deviate from wage and job criteria in Section II, by documenting the reason in writing for the deviation and attaching a copy of this reason to the next annual Business Subsidy Report submitted to DEED.



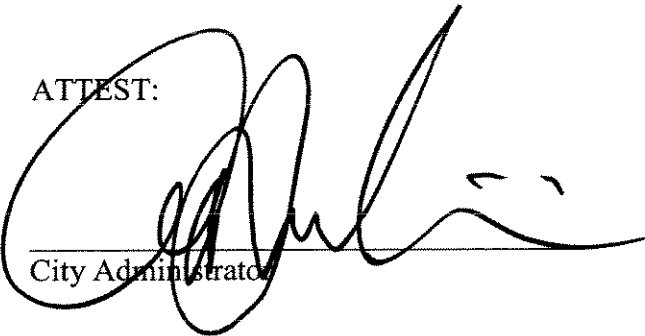
6. The City of Mountain Iron shall encourage the overall goal of creating jobs under this policy to be held by Mountain Iron residents.
7. The City of Mountain Iron authorizes the Mayor as representative of the City to act as its Authorized Business Subsidy Signatory to execute business subsidy agreements on behalf of the City of Mountain Iron.
8. The City of Mountain Iron authorizes the Mountain Iron EDA to act as its Economic Development Agent for purposes of marketing and initiating and negotiating Business Subsidy Agreements on its behalf.
9. Requirements of businesses. The City of Mountain Iron shall require all businesses receiving a business subsidy to comply with the following:
  - a. The business shall attend a properly noticed public hearing shall be held by the City of Mountain Iron as provided by M.S. § 116J.994, when the value of the subsidy does or is expected to exceed \$100,000 from local sources. The purpose of the hearing shall be held to identify define the criteria that the qualified business or recipient shall meet in order to be eligible to receive a business subsidy or become a qualified business for purposes of the JOBZ statute. The hearing shall specify the subsidy provided, public purpose(s) that shall be achieved by offering the subsidy, and shall specify the measurable, specific, and tangible goals committed to by the qualified business. As provided by M.S. 116J.994, Subd. 5., a public notice shall be published in print and if possible, on the internet, at least 10 days prior to the hearing, identifying the location, date time and place of the hearing; and providing information about the business subsidy proposed, including a summary of the terms of the subsidy.
  - b. If the business is qualified to receive JOBZ tax benefits, that business shall agree to continue to operations in the jurisdiction where the subsidy is used (the subzone) for the duration of the job zone term.
  - c. If the qualified business or recipient is a relocating business under the definition in this agreement, the business shall be required to enter into a binding written "Relocation Agreement between the qualified business and the commissioner of DEED pledging that the qualified relocating business shall:
    - (1) Commit to signing a Relocation Agreement with DEED; and *CHOOSE ONE from 2 or 3:*
    - (2) Cease one or more operations or functions at a non-Zone location and begin performing substantially the same functions inside the City of Mountain Iron Zone; or
    - (3) Reduce employment at the non-Zone location starting one year before and ending one year after beginning operations in the Zone where its employees in the Zone are engaged in the same line of business as the employees at the location where it reduced employment; and
    - (4) Increase full-time or full-time equivalent employment in the first full year of operation within the job opportunity building zone by a

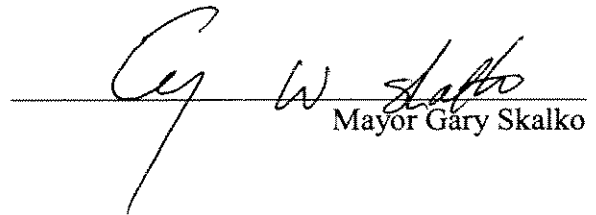
minimum of five jobs or 20 percent, whichever is greater, measured relative to the operations that were relocated and maintains the required level of employment for each year the zone designation applies; and provides for repayment of all tax benefits if these requirements are not met.

- d. The business shall identify an operation start date when business operations for the proposed qualified business are planned to begin in the zone. The date when business operations begin is called the "operation start date".

**DULY ADOPTED BY THE CITY COUNCIL THIS 19<sup>th</sup> DAY OF MARCH, 2005.**

ATTEST:

  
\_\_\_\_\_  
City Administrator

  
\_\_\_\_\_  
Mayor Gary Skalko

Locomotive Street		FRONT		PROJECT		REASONABLE	
NAME	LOT	BLOCK	FOOTAGE	PARCEL	COST	ASSESSMENT	COST
				COSE	\$17,000.00	RATE	PER
							FOOT
USX CORP	8	1	120	175-0010-00100	\$3,777.78	25%	\$7.87
USX CORP	8	2	120	175-0010-00110	\$3,777.78	25%	\$7.87
USX CORP	16	3	120	175-0010-00210	\$3,777.78	25%	\$7.87
NOYES GORDON D	1	14	60	175-0010-01380	\$1,888.89	25%	\$7.87
GARRISON ALAN W	1	15	60	175-0010-01550	\$1,888.89	25%	\$7.87
SKOGMAN PETER G	1	16	60	175-0010-01660	\$1,888.89	25%	\$7.87

TOTALS 540 \$17,000.00 \$4,250.00

Tamarack									
NAME	LOT	BLOCK	FRONT FOOTAGE	PARCEL COSE	PROJECT COST	ASSESSMENT RATE	ASSESSMENT AMOUNT	REASONABLE ASSESSMENT AMOUNT	COST PER FOOT
					\$30,000.00				
HARPER WILLIAM F	24	3	85.26	175-0012-00830	\$1,867.21	75%	\$1,400.41	\$1,400.41	\$16.43
POSTUDENSEK GERALD J	25	3	90.45	175-0012-00840	\$1,980.87	75%	\$1,485.66	\$1,485.66	\$16.43
POSTUDENSEK GERALD J	26	3	75.93	175-0012-00850	\$1,662.88	75%	\$1,247.16	\$1,247.16	\$16.43
POSTUDENSEK GERALD J	27	3	75	175-0012-00860	\$1,642.52	75%	\$1,231.89	\$1,231.89	\$16.43
City of Mountain Iron			20.02		\$438.44	75%	\$328.83	\$328.83	\$16.43
KOVICH TIMOTHY J	28	3	72.77	175-0012-00870	\$1,593.68	75%	\$1,195.26	\$1,195.26	\$16.43
KOVICH TIMOTHY J	29	3	85.92	175-0012-00880	\$1,881.67	75%	\$1,411.25	\$1,411.25	\$16.43
KUNTZ NORMAN P	1	4	95	175-0012-00910	\$2,080.52	75%	\$1,560.39	\$1,560.39	\$16.43
DRAZE DONNA MAE	2	4	75	175-0012-00920	\$1,642.52	75%	\$1,231.89	\$1,231.89	\$16.43
NORDLINDER JON W	3	4	75	175-0012-00930	\$1,642.52	75%	\$1,231.89	\$1,231.89	\$16.43
SAVELA GARY L & DAWN A	4	4	106.01	175-0012-00940	\$2,321.64	75%	\$1,741.23	\$1,741.23	\$16.43
ZUPEC JEROME L & BRENDA L	5	4	69.82	175-0012-00950	\$1,529.07	75%	\$1,146.80	\$1,146.80	\$16.43
SAVELA GARY L & DAWN A	5	4	5	175-0012-00955	\$109.50	75%	\$82.13	\$82.13	\$16.43
PLUSKWIK PAUL A	6	4	66	175-0012-00960	\$1,445.41	75%	\$1,084.06	\$1,084.06	\$16.43
ZUPEC JEROME L & BRENDA L	5	4	5	175-0012-00965	\$109.50	75%	\$82.13	\$82.13	\$16.43
PLUSKWIK PAUL A	7	4	63.65	175-0012-00960	\$1,393.95	75%	\$1,045.46	\$1,045.46	\$16.43
SANKAR PETER	8	4	66	175-0012-00980	\$1,445.41	75%	\$1,084.06	\$1,084.06	\$16.43
SANKAR PETER	9	4	66	175-0012-00990	\$1,445.41	75%	\$1,084.06	\$1,084.06	\$16.43
SANKAR PETER	10	4	25	175-0012-01000	\$547.51	75%	\$410.63	\$410.63	\$16.43
VOSS ROBERT & WENDY	8	5	147.02	175-0012-01140	\$3,219.77	75%	\$2,414.83	\$2,414.83	\$16.43
TOTALS			1369.85		\$30,000.00		\$22,500.00	\$22,500.00	

Coral Street									
NAME	LOT	BLOCK	FRONT FOOTAGE	PARCEL COSE	PROJECT COST	ASSESSMENT RATE	ASSESSMENT AMOUNT	REASONABLE ASSESSMENT AMOUNT	COST PER FOOT
					\$15,000.00				
HENSHEL GEORGE L	6	2	120	175-0020-00210	\$3,750.00	25%	\$937.50	\$937.50	\$7.81
KANGAS SHANNON R	7	2	120	175-0020-00220	\$3,750.00	25%	\$937.50	\$937.50	\$7.81
MITCHELL MICHAEL A	1	4	120	175-0020-00410	\$3,750.00	25%	\$937.50	\$937.50	\$7.81
RUBOW RACHELLE RAE	14	4	120	175-0020-00570	\$3,750.00	25%	\$937.50	\$937.50	\$7.81
TOTALS			480		\$15,000.00		\$3,750.00	\$3,750.00	

Unity Drive from Cty 7 to RR

NAME	LOT	BLOCK	FRONT FOOTAGE	PARCEL COSE	PROJECT COST	ASSESSMENT RATE	REASONABLE ASSESSMENT AMOUNT	COST PER FOOT
					\$127,000.00			
LEVASSEUR RICHARD W	1	1	140.71	175-0013-00010	\$5,133.03	10%	\$513.30	\$3.65
KOSKI ROGER C	11	1	140.71	175-0013-00110	\$5,133.03	10%	\$513.30	\$3.65
REIMER TRAVIS J	1	2	140.72	175-0013-00230	\$5,133.39	10%	\$513.34	\$3.65
REIMER ANGELA J & TRAVIS J	11	2	140.72	175-0013-00370	\$5,133.39	10%	\$513.34	\$3.65
KIMPLING GLEASON M & DONNA M	11	2	50	175-0013-00375	\$1,823.97	10%	\$182.40	\$3.65
FISKARI DALLAS L & KELLY	1	1	140.71	175-0014-00010	\$5,133.03	10%	\$513.30	\$3.65
MOE HAROLD M & DORIS	11	1	140.71	175-0014-00120	\$5,133.03	10%	\$513.30	\$3.65
City of Mountain Iron	1	2	140.71	175-0014-00010	\$5,133.03	10%	\$513.30	\$3.65
City of Mountain Iron	11	2	140.71	175-0014-00010	\$5,133.03	10%	\$513.30	\$3.65
VANSOEST HOLDINGS LLC	1	2	150	175-0032-00060	\$5,471.92	10%	\$547.19	\$3.65
City of Mountain Iron	2	2	150	175-0032-00070	\$5,471.92	10%	\$547.19	\$3.65
City of Mountain Iron	3	2	150	175-0032-00080	\$5,471.92	10%	\$547.19	\$3.65
MESABI FAMILY YMCA INC	4	2	90	175-0032-00090	\$3,283.15	10%	\$328.32	\$3.65
City of Mountain Iron	4	2	60	175-0032-00095	\$2,188.77	10%	\$218.88	\$3.65
MESABI FAMILY YMCA INC	5	2	304.45	175-0032-00100	\$11,106.18	10%	\$1,110.62	\$3.65
MESABI FAMILY YMCA INC	6	2	332.66	175-0032-00110	\$12,135.26	10%	\$1,213.53	\$3.65
Sky International		13	225	175-0071-01182	\$8,207.88	10%	\$820.79	\$3.65
Canadian National		12	309.3	175-0071-01180	\$11,283.10	10%	\$1,128.31	\$3.65
LW Anderson Properties		4	142.15	175-0071-01167	\$5,185.56	10%	\$518.56	\$3.65
LW Anderson Properties	8	4	142.15	175-0071-01150	\$5,185.56	10%	\$518.56	\$3.65
Duanes Marine	9	4	250	175-0071-01152	\$9,119.87	10%	\$911.99	\$3.65
TOTALS			3481.41		\$127,000.00		\$12,700.00	

NAME	LOT	BLOCK	FRONT FOOTAGE	PARCEL COSE	PROJECT COST	ASSESSMENT RATE	REASONABLE ASSESSMENT AMOUNT	COST PER FOOT
					\$12,000.00			
LINDHOLM LARRY R	1	1	106	175-0061-00010	\$2,483.07	75%	\$1,862.30	\$17.57
ZOLLAR JACK J	2	1	110.47	175-0061-00020	\$2,587.78	75%	\$1,940.83	\$17.57
LEE LARRY ALVIN	13	13	295.8	175-0071-01246	\$6,929.16	75%	\$5,196.87	\$17.57
TOTALS			512.27		\$12,000.00		\$9,000.00	

Enterprise Drive		FRONT			PARCEL		PROJECT		ASSESSMENT		REASONABLE	
NAME	LOT	BLOCK	FOOTAGE	COSE	COSE	COST	RATE	AMOUNT	RATE	ASSESSMENT	AMOUNT	COST
						\$135,000.00						PER FOOT
ZIEBART TIDY CAR	1	3	101.18	175-0032-00123		\$5,141.34	10%	\$514.13			\$514.13	\$5.08
PERPICH JON A & MARILYN	1	3	150	175-0032-00125		\$7,622.07	10%	\$762.21			\$762.21	\$5.08
AHO PARTNERSHIP	2	3	250	175-0032-00130		\$12,703.44	10%	\$1,270.34			\$1,270.34	\$5.08
NORRI RENTALS LLC	3	3	198.97	175-0032-00140		\$10,110.42	10%	\$1,011.04			\$1,011.04	\$5.08
NORRI RENTALS LLC	4	3	149.23	175-0032-00140		\$7,582.94	10%	\$758.29			\$758.29	\$5.08
KUJALA JOAN K	5	3	149.23	175-0032-00160		\$7,582.94	10%	\$758.29			\$758.29	\$5.08
FOX BRUCE & CAROL	6	3	149.23	175-0032-00170		\$7,582.94	10%	\$758.29			\$758.29	\$5.08
FOX BRUCE & CAROL	7	3	179.9	175-0032-00180		\$9,141.40	10%	\$914.14			\$914.14	\$5.08
L & M SUPPLY VIRGINIA INC	5	2	240	175-0049-00120		\$12,195.31	10%	\$1,219.53			\$1,219.53	\$5.08
CERNOHLAVEK RANDY	6	2	536.15	175-0049-00130		\$27,243.80	10%	\$2,724.38			\$2,724.38	\$5.08
NELSON LARRY K	7	2	68.84	175-0049-00140		\$3,498.02	10%	\$349.80			\$349.80	\$5.08
L & M SUPPLY VIRGINIA INC	5	4	484.03	175-0071-01087		\$24,595.39	10%	\$2,459.54			\$2,459.54	\$5.08
TOTALS			2656.76			\$135,000.00		\$13,500.00			\$13,500.00	

Granite Street		FRONT			PARCEL		PROJECT		ASSESSMENT		REASONABLE	
NAME	LOT	BLOCK	FOOTAGE	COSE	COSE	COST	RATE	AMOUNT	RATE	ASSESSMENT	AMOUNT	COST
						\$13,000.00						PER FOOT
MCDERMID SCOTT & LAURIE	4	5	60	175-0020-00590		\$2,020.73	25%	\$505.18			\$505.18	\$8.42
MORIN MARK & PATRICIA	5	5	60	175-0020-00630		\$2,020.73	25%	\$505.18			\$505.18	\$8.42
SCHLOTEC THOMAS	1	7	50	175-0020-00770		\$1,683.94	25%	\$420.98			\$420.98	\$8.42
MATTILA WILLIAM R	2	7	50	175-0020-00780		\$1,683.94	25%	\$420.98			\$420.98	\$8.42
MATTILA WILLIAM R	3	7	50	175-0020-00790		\$1,683.94	25%	\$420.98			\$420.98	\$8.42
US BANK	4	7	50	175-0020-00800		\$1,683.94	25%	\$420.98			\$420.98	\$8.42
GIRU MARION	5	7	66	175-0020-00810		\$2,222.80	25%	\$555.70			\$555.70	\$8.42
TOTALS			386			\$13,000.00		\$3,250.00			\$3,250.00	

Heather Avenue Pavement											
North			PROJECT			ASSESSMENT			REASONABLE		
NAME	SEC./BLOCK	DESC./LOT	FRONT FOOTAGE	PARCEL CODE	COST	RATE	ASSESSMENT AMOUNT	ASSESSMENT RATE	ASSESSMENT AMOUNT	COST PER FOOT	
Peterson, Dale	13	NE/NW	670	175-0071-01235	\$ 15,587.57	75.00%	\$	75.00%	\$ 11,690.67	\$ 17.45	
Lee, Larry	13	NE/NW	330.5	175-0071-01246	\$ 7,689.09	75.00%	\$	75.00%	\$ 5,766.82	\$ 17.45	
Landicho, Petronile	13	NW/NW	220	175-0071-01250	\$ 5,118.31	75.00%	\$	75.00%	\$ 3,838.73	\$ 17.45	
Niska, Dean	13	NW/NW	450	175-0071-01255	\$ 10,469.26	75.00%	\$	75.00%	\$ 7,851.95	\$ 17.45	
Anderson, Tim	13	NW/NW	349.7	175-0071-01305	\$ 8,135.78	75.00%	\$	75.00%	\$ 6,101.83	\$ 17.45	
TOTALS			2020.2		\$ 47,000.00		\$		\$ 35,250.00		

Heather Avenue Pavement											
South			PROJECT			ASSESSMENT			REASONABLE		
NAME	SEC./BLOCK	DESC./LOT	FRONT FOOTAGE	PARCEL CODE	COST	RATE	ASSESSMENT AMOUNT	ASSESSMENT RATE	ASSESSMENT AMOUNT	COST PER FOOT	
Nordeen, Warren	13	NW/NW	310.3	175-0071-01300	\$ 6,269.32	90.00%	\$	90.00%	\$ 5,642.39	\$ 18.18	
Seitz, Tom	13	SW/NW	250	175-0071-01310	\$ 5,051.02	90.00%	\$	90.00%	\$ 4,545.91	\$ 18.18	
Chad, Dan	13	SW/NW	420	175-0071-01311	\$ 8,485.71	90.00%	\$	90.00%	\$ 7,637.14	\$ 18.18	
Skinner, Dale	13	SW/NW	66	175-0071-01345	\$ 1,333.47	90.00%	\$	90.00%	\$ 1,200.12	\$ 18.18	
RGGS Land & Minerals	13	SE/NW	702.5	175-0071-01350	\$ 14,193.35	90.00%	\$	90.00%	\$ 12,774.02	\$ 18.18	
Luzovich, William	13	NE/NW	165	175-0071-01245	\$ 3,333.67	90.00%	\$	90.00%	\$ 3,000.30	\$ 18.18	
Lindhom, Larry	1	1	66	175-0061-00010	\$ 1,333.47	90.00%	\$	90.00%	\$ 1,200.12	\$ 18.18	
TOTALS			1979.8		\$ 40,000.00		\$		\$ 36,000.00		

Unity Drive west from Emerald											
PROJECT			ASSESSMENT			REASONABLE			COST		
NAME	SEC./BLOCK	DESC./LOT	FRONT FOOTAGE	PARCEL CODE	COST	RATE	ASSESSMENT AMOUNT	ASSESSMENT RATE	ASSESSMENT AMOUNT	COST PER FOOT	
ISD 712	11	SE/SW	540	175-0071-00870	\$ 94,500.00	10.00%	\$	10.00%	\$ 9,450.00	\$ 17.50	
Northeast Service Cooperative	11	SE/SW	460	175-0071-00872	\$ 80,500.00	10.00%	\$	10.00%	\$ 8,050.00	\$ 17.50	
ISD 712	14	NE/NW	300	175-0071-01580	\$ 52,500.00	10.00%	\$	10.00%	\$ 5,250.00	\$ 17.50	
City of Mountain Iron	14	NE/NW	700	175-0071-01580	\$ 122,500.00	10.00%	\$	10.00%	\$ 12,250.00	\$ 17.50	
TOTALS			2000		\$ 350,000.00		\$		\$ 35,000.00		

**COUNCIL LETTER 040207-IVC1**

**MAYOR SKALKO**

**REDIRECT USE OF COUNTY LAND RECREATION GRANT**

**DATE:** March 28, 2007

**FROM:** Mayor Skalko

Craig J. Wainio  
City Administrator

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Mayor Skalko requested this item be placed on the agenda with this background information:

After meeting with Commissioner Keith Nelson on Monday, March 26, he recommended to me that the City do the following. Back in April of 2005, the City received a \$20,000 County Recreation Grant to be used for ATV. The grant was not used and expired on October 1, 2006. However, Commissioner Nelson recommends that we submit a letter to him requesting that these unused monies be re-directed to use on completing the South Grove Playground Project started last summer on which we received a \$20,000 County Recreation Land Grant.

Commissioner Nelson strongly believes this is the best way for us to get the monies to complete this project in the very near future.

We have applied for two (2) Recreation Grants from the County for 2007: 1) one for this park project and 2) one for Locomotive Park. However, it looks like the most a city will be entitled to for this fiscal year is one grant. That's why Commissioner Nelson strongly suggests we try and request to use these unused expired grant monies to complete this South Grove Playground Project.



**COUNCIL LETTER 040207-VIE1**

**FIRE DEPARTMENT**

**FIRE FIGHTER HIRING**

**DATE:** March 28, 2007

**FROM:** Tom Cvar  
Fire Chief

Craig J. Wainio  
City Administrator

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The Fire Department recommends the hiring of Joe Golden as a paid on call fire fighter for the City of Mountain Iron.

## **MOUNTAIN IRON FIRE DEPARTMENT**

### **AMENDMENT TO THE BYLAWS**

DATED OCTOBER 26, 2006

Each member of the Mountain Iron Fire Department shall have no less than 24 hours of in-house training per year. Exception will be new firefighters hired after the first of the year. The required in-house training for new firefighters will be prorated to the number of full quarters for the year in which they start. The training period is from January 1 to December 31. Each member will have mandatory blood-borne pathogens and hazmat training yearly. No member shall miss more than three (3) consecutive in-house training sessions. Make-up of training is the responsibility of the firefighter. Failure to have the above training requirements will result in the loss of the firefighters pension for that year.

**COUNCIL LETTER 040207-VIG1**

**COUNCILOR ROSKOSKI**

**UNITY 2 EXPANSION PHASES**

**DATE:** March 28, 2007  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

So the Council has some options, we should have Benchmark Engineering plan out the Unity 2 Expansion in potential phases. Suggestion = Phases 1-2-3, 10 – 12 lots at a time.

**COUNCIL LETTER 040207-VIG2**

**COUNCILOR ROSKOSKI**

**SPRUCE/ASPEN/#7 AREA INTERSECTIONS**

**DATE:** March 28, 2007  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

This problem goes back over 15 years. During spring thaws, this intersection appears to be the only in town that floods out, has water running in the wrong direction and has melt water flowing into the sanitary sewer manhole. It appears that the street center crown should be raised at least 6 inches to get the water to flow properly. We should authorize the City Engineer to come up with an estimated cost for doing so.

**COUNCIL LETTER 040207-IVH1**

**UTILITY ADVISORY BOARD**

**SERVICE TERRITORY ACQUISITION**

**DATE:** March 28, 2007

**FROM:** Utility Advisory Board

Donald V. Kleinschmidt  
Director of Public Works


Craig J. Wainio  
City Administrator

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Based upon Resolution Number 28-02 adopted by the City Council on July 15, 2002, staff has been negotiating with Lake Country Power on the acquisition of service territory in the Mashkeode Lake area. At their meeting on Tuesday, March 27<sup>th</sup> the enclosed agreement was review and unanimously approved and recommended to the City Council for approval by the Utility Advisory Board. Staff reviewed the agreement with the Minnesota Municipal Utility Association. MMUA indicated that the terms of the agreement are consistent with other recent service territory acquisition agreements around the State.

It is recommended that the City Council approve the agreement as presented contingent on City Attorney review and approval.



A Touchstone Energy<sup>®</sup> Cooperative 

January 9, 2007

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

Dear Mr. Wainio:

Since our meeting on October 3, 2006, we have updated the following costs through December 31, 2006:

Lost Revenue - Existing Customers (same)	\$143,747
Lost Revenue (10 years) - Future Customers @ 27.2 mills per kWh (same)	Unknown
Book Value of facilities - As of December 31, 2005 (same)	\$207,223
Actual cost of closed 2006 work orders (updated)	\$18,579
Estimated re-integration costs (same)	<u>\$5,000</u>
Total (Excluding Lost Revenue - Future Customers)	<b>\$374,549</b>

Enclosed is a draft Service Territory Agreement and the following updated attachments referenced in our letter of October 3, 2006:

- Attachment A Listing of existing customers - including 2005 kWh usage
- Attachment B Summary of the worksheet used to determine the Loss of Revenue Payment
- Attachment C Listing of facilities in place as of January 1, 2003
- Attachment D Listing of closed Work Orders after January 1, 2003

After again consulting with our attorney regarding confidentiality issues, we are providing Attachment B directly to you, rather than submitting it to your attorney as confidential information.

In reviewing my notes from our last meeting, I believe that with this letter we've provided all of the information and documents that have been requested.

I will contact you to set up a meeting to review the attached material.

Best regards,



Richard Lemonds  
General Manager

Attachments

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## Attachment A

### Existing Customers

<b>Name</b>	<b>Account Number</b>	<b>2005 kWh</b>
Margaret Nyberg	289601	8,557
Kenneth Dall	1129800	8,273
Henry Drieman	1183500	6,954
Mark Westerbur	1856901	13,041
Jerome Zupec	2750601	13,293
Norman Kuntz	3300500	7,248
Gary Savela	3460701	9,305
Northern MN Utilities	4131000	2,104
Donna Draze	4144600	7,910
Joyce Pluskwik	4399700	6,501
Northern Natural Gas Co	4509800	5,600
DWP Railway	4596700	7,110
Dean Adams	4660101	25,339
Jon Nordlinder	4682201	4,536
Jeffery McMillion	8703718000	20,229
Mark Krukowski	140781801	371
Adam Efta	140820501	-
Robert Thomasson	8705187500	2,423
Al Kempenich	140779601	276
Scott Christenson	1329002	17,418
Canadian National Railways DMIR	1821200	989
Frank Korpi	1923800	11,972
Dennis Benz	2344102	46,735
Archie Greenwaldt	2418701	14,939
Northern Natural Gas	2940000	597
Rob Babcock	3305401	35,093
Devon Herrmann	4284301	11,281
Larry Danberg	4116900	8,364
Jeffery Holmes	14000094	52,488
Richard Jedlicki	8705345000	14,712
Phillip Ericson	2635200	7,977
Duane Niska	3345700	13,472
Wendell Koski	2702400	16,923
Brandon Tapio	3636101	8,959
Stephanie Knapper	4025901	10,091
Duane Pearson	4244100	135

Canadian National Railways DMIR	1315700	-
Dale Sprague	4312500	6,540
John Filander	3114500	11,724
James Johnson	4407500	7,361
Richard Anderson	8703460300	3,914
DWP Railway Co	900900	28,796
Canadian National Railways DMIR	1048700	11,238
James Peterson	1488802	17,491
Jacob Nichols	3498200	32,661
Ernest Gust	2699800	30,005
Duane Pearson	3961700	5,619
Kevin Mattila	2827201	7,575
Kevin Mattila	4264001	307
Alan Pawlikowski	2997301	12,495
Daryl Swan	4520801	30,733
Jeffery Hanson	3001500	5,388
Mark Butorac	8703460600	4,364
Anderson Family Trust	3046600	14,228
Range Retriever Club	8704687300	8,151
City of Mountain Iron	498900	4,800



## Attachment D

### Mashkenode Lake Development

Work order	W/O description	CIAC	Total Cost	Net Cost	In Plant	Depr	Total Value
610734	Pole & cable move	-	3,634	3,634	April 2005	148	3,486
610689	east part of develop	14,745	50,404	35,659	Dec 2004	1,797	33,862
610733	west part of develop	19,250	33,132	13,882	April 2005	566	13,315
162	NS - Robert Thomasson	1,658	4,950	3,292	Dec 2004	166	3,126
1222	NS - Richard Jedlicki	965	2,523	1,558	Dec 2004	79	1,480
2282	NS - Al Kempenich	1,000	3,699	2,699	Dec 2005	58	2,640
2336	NS - Mark Krukowski	787	3,151	2,364	Dec 2005	51	2,313
2818	NS - Adam Efta	528	2,740	2,213	Aug 2005	69	2,144
<b>Total construction costs</b>		<b>38,932</b>	<b>104,233</b>	<b>65,301</b>		<b>2,935</b>	<b>62,366</b>

Transformer	cost per unit	# installed				
25 kVa URD	1,102.00	1	1,102		63	1,039
15 kVa URD	841.63	3	2,525		79	2,446
10 kVa URD	700.40	1	700		22	679
<b>Total Transformer Cost</b>			<b>4,327</b>		<b>164</b>	<b>4,163</b>

Meter	141.90	7	993			
<b>Total Meter Cost</b>			<b>993</b>			

**Book Value - Facilities \$ 67,523**

### Future Customers - January 1, 2006

Work order	W/O description	CIAC	Total Cost	Net Cost	WO Status
4621	NS - Dale Erickson	2,579	6,159	3,581	Closed
4987	NS - Luke Miller	1,056	3,420	2,364	Closed
5023	NS - Doug Heipel	860	1,872	1,012	Closed
4074	NS - Joseph Hejney	1,997	3,016	1,019	Closed
5414	NS - Jeremy Jensen	1,007	5,144	4,136	Closed
5391	NS - Nick Hoff	300	1,295	995	Closed
<b>Total Construction Costs</b>		<b>7,799</b>	<b>20,906</b>	<b>13,106</b>	

Transformer	cost per unit	# installed		
25 kVa URD	1,102.00	3	3,306	
10 kVa OH	365.00	2	730	
25 kVa OH	585.00	1	585	
<b>Total Transformer Cost</b>			<b>4,621</b>	

Meter	141.90	6	851	
<b>Total Meter Cost</b>			<b>851</b>	

**Total cost of work orders \$ 18,579**

## Attachment B

### Lake Country Power Proposed Acquisition by the City of Mountain Iron

#### Existing Customers January 1, 2006 Annexation Calculation of Loss of Revenue Component

(1) Year	(2) Incremental Loss of Gross Revenue Inflation		(3) Constant		(4) Total		(5) Inflation Sensitive			(6) Incremental Reduction in Expense			(10) Net Loss of Revenue (\$)	(11) Present Worth Factor	(12) Present Worth (\$)	(13) Verification of Equivalent Rate Energy Sales (kWh)	(14) Payment @ Present Worth (\$)	(15) Present Worth (\$)
	Sensitive (\$)	Inflation (\$)	Sensitive (\$)	Total (\$)	Sensitive (\$)	Total (\$)	Constant (\$)	Taxes (\$)	Interest (\$)	Total (\$)	Constant (\$)	Taxes (\$)						
3	45,899	8,876	54,775	35,291	1,585	312	1,560	38,747	16,027	1.0000	16,027	649,281	17,657	17,657				
3	47,454	8,876	56,330	36,486	1,585	309	1,559	39,939	16,391	0.9533	15,626	649,281	17,657	16,833				
3	49,061	8,876	57,938	37,722	1,585	305	1,559	41,171	16,766	0.9088	15,238	649,281	17,657	16,047				
4	50,724	8,876	59,600	39,000	1,585	301	1,559	42,445	17,155	0.8664	14,863	649,281	17,657	15,298				
5	52,442	8,876	61,318	40,322	1,585	297	1,558	43,762	17,556	0.8260	14,502	649,281	17,657	14,585				
6	54,219	8,876	63,095	41,688	1,585	293	1,558	45,123	17,972	0.7875	14,152	649,281	17,657	13,904				
7	56,056	8,876	64,932	43,100	1,585	288	1,557	46,531	18,401	0.7507	13,814	649,281	17,657	13,255				
8	57,955	8,876	66,831	44,561	1,585	284	1,557	47,986	18,846	0.7157	13,487	649,281	17,657	12,637				
9	59,919	8,876	68,795	46,070	1,585	279	1,556	49,490	19,305	0.6823	13,171	649,281	17,657	12,047				
10	61,949	8,876	70,825	47,631	1,585	274	1,556	51,045	19,780	0.6504	12,866	649,281	17,657	11,485				
									178,199		143,747	6,492,810	176,568	143,747				

Equivalent Rate = \$ 0.0272 /kWh

Col (2) Escalated at rate of inflation of 3.39%.

Col (5) Escalated at rate of inflation of 3.39%.

Col (11) = 4.90%, the incremental composite interest rate of the Cooperative.

## Attachment C

### LCP facilities in place as of September 1, 2006 excluding services built after January 1, 2003

	Quantity	\$/item	Total
<b>Poles</b>			
30 foot	44	168.10	7,396
35 foot	107	168.10	17,987
<b>Subtotal</b>	<b>151</b>		<b>25,383</b>
40 foot	20	349.41	6,988
45 foot	5	349.41	1,747
<b>Subtotal</b>	<b>25</b>		<b>8,735</b>
<b>Total poles</b>	<b>176</b>		<b>34,118</b>
<b>Pole units</b>			
A3	3	59.45	178
A4	3	118.90	357
A5	50	59.45	2,973
A6	6	118.90	713
A8	1	280.38	280
A9	4	161.48	646
<b>Total units</b>	<b>67</b>		<b>5,147</b>
<b>Anchors</b>			
	99	81.50	8,069
<b>Total anchors</b>	<b>99</b>		<b>8,069</b>
<b>Grounds</b>			
	104	57.48	5,978
<b>Total grounds</b>			<b>5,978</b>
<b>Cutouts</b>			
	2	210.55	421
<b>Total Cutouts</b>			<b>421</b>
<b>Wire</b>			
1/0 URD 25 KV	10,220	1.07	10,935
1/0 URD 15 KV	1,129	0.97	1,095
<b>Subtotal URD</b>	<b>11,349</b>		<b>12,031</b>
4/0 USE	647	2.57	1,663
OH Triplex	1,611	1.87	3,013
<b>Subtotal Sec</b>	<b>2,258</b>		<b>4,675</b>
8A	28,758	0.09	2,588
6A	33,918	0.14	4,749
#4 ACSR	11,902	0.19	2,261
4/0 ACSR	4,097	0.97	3,974
1/0 ACSR	5,617	0.61	3,426
<b>Subtotal OH pri</b>	<b>84,292</b>		<b>16,999</b>
<b>Total Wire</b>	<b>97,899</b>		<b>33,704</b>
<b>URD Equipment</b>			
Cable Terminators	20	195.81	3,916

	Enclosures	2	861.48	1,723
	Cutout	4	132.25	529
	Arrestor	6	124.80	749
	<b>Total URD Equipment</b>			<b>6,917</b>
<b>Security Light</b>	HPS	6	156.82	941
	MV	7	134.64	942
	<b>Total Security lights</b>			<b>1,883</b>
<b>Transformers</b>				
	Overhead			
	5 kVa	12	138.54	1,662
	7.5 kVa	2	188.49	377
	10 kVa	26	365.05	9,491
	15 kVa	2	433.64	867
	25 kVa	3	584.66	1,754
	Lightening arresto	45	124.80	5,616
	<b>Subtotal Overhead</b>			<b>19,768</b>
	Padmount			
	Transformer pad	8	201.60	1,613
	10 kVa	3	700.40	2,101
	15 kVa	2	841.63	1,683
	25 kVa	2	1,028.32	2,057
	<b>Subtotal underground</b>			<b>7,454</b>
	<b>Total Transformers</b>			<b>27,222</b>
<b>Meters</b>	Meters - AMR	69	141.90	9,791
	Meter loops	32	92.14	2,948
	Service Drops	8	161.31	1,290
	URD service	4	344.66	1,379
	Meter Pedestal	4	207.78	831
	<b>Total Meters</b>	<b>69</b>		<b>16,240</b>
<b>Book value Prior to 01/01/2003</b>				<b>139,700</b>
<b>Book Value - Mashkenode Lake Development</b>				<b>67,523</b>
<b>Book Value - All Facilities</b>				<b>\$ 207,223</b>

## SERVICE TERRITORY AGREEMENT

This Service Territory Agreement is made on January \_\_\_\_\_, 2007, between the City of Mountain Iron, a municipal corporation (City) and Lake Country Power, an electric cooperative (LCP), as follows:

### Recitals

The City and LCP are authorized by Minn. Stat. § 216B.40 to provide electric service to customers on an exclusive basis within their respective service territories;

Part of the assigned service territory of LCP is located within the municipal boundaries of the City;

The City desires to acquire and LCP is willing to transfer that part of LCP's service territory located within the City as described in this Agreement, subject to the terms and conditions set forth in this Agreement.

THE PARTIES, THEREFORE, AGREE AS FOLLOWS:

1. **Service Territory Transfer.** The service territory to be transferred by LCP to the City is described as follows:

All of the assigned service territory held by LCP located in Sections 13, 15, 16, 22, 23, 24, 25, 26, 27, 34, 35, and 36 of Township 58N Range 18W.

2. **Facilities Transferred.** The facilities to be transferred by LCP to the City are AS IS and consist of poles, wires, meters, transformers, and other miscellaneous hardware necessary to provide service to existing and future customers. The City shall pay to LCP for facilities used to serve existing customers as of September 1, 2006, the amount of \$207,223.00.

The City shall pay to LCP for facilities used to serve customers from January 1, 2006, the amount of \$18,579.00 for construction within the transferred service territory. The transfer of these facilities is on an AS IS basis. Payment for all of these transferred facilities shall be made within 30 days after the execution of this Agreement.

3. **Existing Customers.** Existing customers are defined as customers that were located in the transferred service territory as of December 31, 2005. The City will pay LCP the amount of \$143,747.00 for such existing customers. Payment for these customers will be made within 30 days after the execution of this Agreement. See Attachment A.

4. **Future Customers.** Future customers are defined as customers who located or will locate in the transferred service territory from January 1, 2006 through

December 31, 2015. The City will pay LCP 27.2 mills/kWhs for sales to such future customers. Payments for these customers for the years 2006 through 2015 will be made by March 15 of each year for the previous calendar year.

5. **Reintegration Expenses.** The City will pay LCP for the actual costs of transferring this service territory to the City estimated to be \$5,000.00. Such reintegration expenses will include labor, transportation, materials, and overhead. LCP will submit a final invoice to the City for these costs, and payment will be made within 30 days after receipt of invoice.

6. **Map of Service Territories.** The parties will produce a map that shows their respective service territories adjacent to the City after the completion of the service territory transfers provided for in this Agreement. LCP will file this revised service territory map with the Minnesota Public Utilities Commission.

7. **Customer Notification.** The parties will cooperate fully in arranging for the transfer of LCP's customers, including adequate notice to LCP customers of the transfer. These customers will be given at least 30 days notice of their transfer to the City.

8. **Indemnification.** The City agrees to indemnify and hold LCP harmless from any and all claims, actions, or causes of action arising from LCP's transfer of its service territory to the City as described in paragraph 1 of this agreement and LCP's transfer of its facilities to the City as described in Paragraph 2 of this Agreement.

9. **Cooperation.** The parties will take all other actions reasonably necessary to implement the terms and conditions of this Agreement.

10. **Authority.** Each party is fully authorized to execute this Agreement.

IN WITNESS WHEREOF, this Agreement has been executed by a duly authorized officer/officers on behalf of each of the parties.

**CITY OF MOUNTAIN IRON**

**LAKE COUNTRY POWER**

By: \_\_\_\_\_

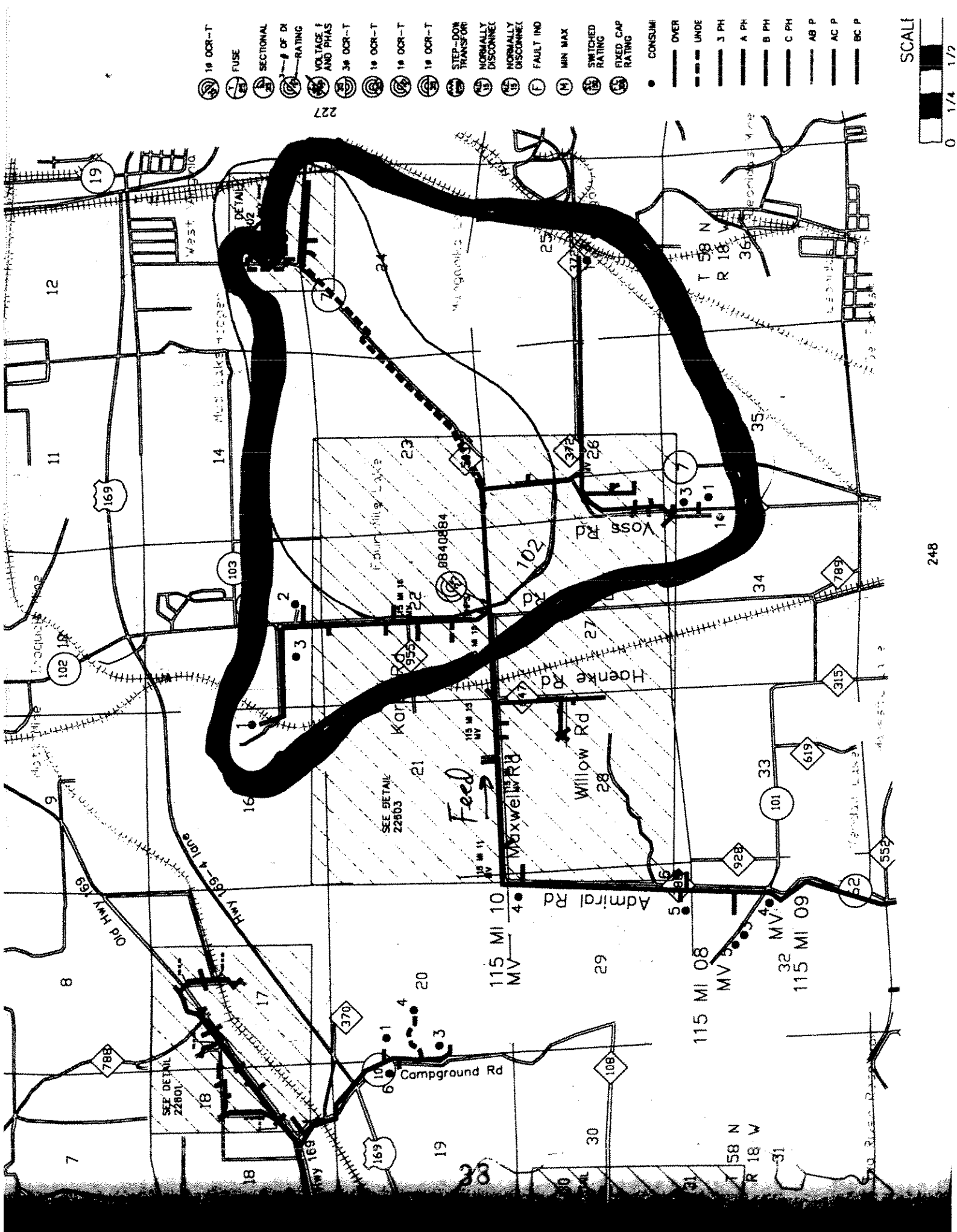
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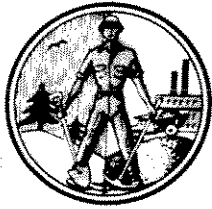
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- AC P
- BC P

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# 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 14-07

### NON-BINDING RESOLUTION OF COMMITMENT

**WHEREAS**, the City of Mountain Iron is a member of the Iron Range Community FiberNet, an entity operating under a joint powers agreement; and

**WHEREAS**, the City of Mountain Iron believes that communication infrastructure is as essential as transportation, electricity, water and sewer infrastructure; and

**WHEREAS**, the City of Mountain Iron believes that the availability of advanced communication infrastructure capable of delivering a minimum of 100 megabits per second to every resident is essential to a successful economic future, and

**WHEREAS**, Iron Range Community FiberNet believes that the development and operation of a wholesale telecommunication infrastructure that allows private companies to provide competitive voice, video and data services to local residents is the most efficient and lowest cost method of delivering communication services, and

**WHEREAS**, Iron Range Community FiberNet has proposed a financing structure for a fiber optic network that requires each community to contribute towards the costs of installing the fiber optic network in each own community; and

**WHEREAS**, Iron Range Community FiberNet needs a non-binding conditional commitment from each community to continue to pursue financial support from governmental and philanthropic investors for the proposed network, and

**WHEREAS**, the City of Mountain Iron will have an opportunity to make a final, binding financial commitment to the fiber optic network after it has reviewed final legal, financial, design and cost data at a future date,

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron makes a conditional commitment to guarantee \$802,145 of the senior debt issued by Iron Range Community FiberNet and contribute \$762,038 to the project as an equity investment, and reserves the right to withdraw this commitment at any time.

**DULY ADOPTED BY THE CITY COUNCIL THIS 2<sup>nd</sup> DAY OF APRIL, 2007.**

\_\_\_\_\_  
Mayor Gary Skalko

ATTEST:

\_\_\_\_\_  
City Administrator



**COUNCIL LETTER 040207-VIA**

**ADMINISTRATION**

**RESOLUTION NUMBER 17-07**

**DATE:** March 28, 2007

**FROM:** Craig J. Wainio  
City Administrator

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Resolution Number 17-07, Ordering Improvement and Preparation of Plans relates to the proposed 2007 Street Program. Once the Public Hearing is completed, the City Council needs to determine which of the streets in Exhibit A of the Resolution they would like to proceed with overlaying or reconstructing. Once that is determined, the City Council should pass Resolution Number 17-06, Ordering Improvement and Preparation of Plans.



# CITY OF MOUNTAIN IRON

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

## RESOLUTION NUMBER 17-07

### ORDERING IMPROVEMENT AND PREPARATION OF PLANS

**WHEREAS**, a Resolution of the City Council adopted on the 5<sup>th</sup> day of March, 2007, fixed a date for a Council Hearing on the proposed improvement of those Street identified in Exhibit A by construction, reconstruction and/or overlay, and;

**WHEREAS**, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 2<sup>nd</sup> day of April, 2007, 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 the 5<sup>th</sup> day of February, 2007.
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 2<sup>nd</sup> DAY OF APRIL, 2007.**

\_\_\_\_\_  
Mayor Gary Skalko

ATTEST:

\_\_\_\_\_  
City Administrator

## **EXHIBIT A**

Heather Avenue from Centennial Drive to South End of Road  
Heather Avenue from Centennial Drive to Unity Drive  
Coral Street from Marble Avenue to Mountain Avenue  
Enterprise Drive North from Nichols Avenue to County Highway 7  
Granite Street from Mineral Avenue to Marble Avenue  
West End Centennial Street to approximately 400 feet east of Heather Avenue  
Tamarack Street from County Road 7 to approximately 600 feet east of County Road 7  
Locomotive Street from Mountain Avenue to west edge of Town of Grant plat  
Unity Drive from County Road 7 to Mountain Iron Drive

**COUNCIL LETTER 040207-VIB**

**ADMINISTRATION**

**RESOLUTION NUMBER 18-07**

**DATE:** March 28, 2007

**FROM:** Craig J. Wainio  
City Administrator

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Resolution Number 18-07, Ordering Improvement and Preparation of Plans relates to the proposed Unity Second Addition and Unity Drive Extension. Once the Public Hearing is completed, the City Council needs to determine whether or not to move ahead with the project. Once the City Council makes a determination, it should pass Resolution Number 18-06, Ordering Improvement and Preparation of Plans.



# CITY OF MOUNTAIN IRON

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

## RESOLUTION NUMBER 18-07

### ORDERING IMPROVEMENT AND PREPARATION OF PLANS

**WHEREAS**, a Resolution of the City Council adopted on the 19<sup>th</sup> day of March, 2007, fixed a date for a Council Hearing in reference to the development of the Northeast Quarter of the Northwest Quarter of Section 14, Township 58 North, Range 18 West in the City of Mountain Iron as single family housing lots as general presented in Attachment A, which includes the installation of water lines, waste water lines, storm sewer system, paved roads and curb and gutter, and;

**WHEREAS**, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 2<sup>nd</sup> day of April, 2007, 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 the 5<sup>th</sup> day of March, 2007.
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 2<sup>nd</sup> DAY OF APRIL, 2007.**

ATTEST:

\_\_\_\_\_  
Mayor Gary Skalko

\_\_\_\_\_  
City Administrator

**COUNCIL LETTER 040207-VIC**

**PLANNING AND ZONING**

**ORDINANCE 02-07**

**DATE:** March 28, 2007  
**FROM:** Planning and Zoning Commission  
Craig J. Wainio  
City Administrator

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Based upon the review and agreement by the City Council on the proposed ordinance amendments regarding fabric structures, the Planning and Zoning Commission held a public hearing on the amendments at their March 26<sup>th</sup> regular meeting. At that meeting the Planning and Zoning Commission voted to approve the amendments and forward the ordinance to the City Council for final approval.

It is recommended that the City Council adopt Ordinance Number 02-07 Amending Chapter 154 of the Mountain Iron City Code.



# 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

## ORDINANCE NUMBER 02-07

### AMENDING CHAPTER 154 OF THE MOUNTAIN IRON CITY CODE

#### THE CITY COUNCIL OF MOUNTAIN IRON ORDAINS:

**Section 1. Amending Section 154.002.** Section 154.002 of the City Code for City of Mountain Iron is hereby amended by adding the following:

PREFABRICATED UTILITY ENCLOSURE. Structure consisting of a tubular framework covered with fabric or sheet metal panels or constructed entirely of sheet metal panels.

**Section 2. Amending Section 154.022.** Section 154.022(B) of the City Code for City of Mountain Iron is hereby amended by adding the following:

- (11) Prefabricated utility enclosure.

**Section 3. Amending Section 154.023.** Section 154.023(B) of the City Code for City of Mountain Iron is hereby amended by adding the following:

- (7) Prefabricated utility enclosure up to 400 square feet in area.

**Section 4. Amending Section 154.023.** Section 154.023(C) of the City Code for City of Mountain Iron is hereby amended by adding the following:

- (8) Prefabricated utility enclosure over 400 square feet in area.

**Section 5. Amending Section 154.023.** Section 154.023(D)(6)(a) of the City Code for City of Mountain Iron is hereby amended by adding the following:

3. Prefabricated utility enclosure 25 feet;

**Section 6. Amending Section 154.023.** Section 154.023(D) of the City Code for City of Mountain Iron is hereby amended by adding the following:

- (8) Front Setback Prefabricated utility enclosure 150 feet.

**Section 7. Amending Section 154.024.** Section 154.024(B) of the City Code for City of Mountain Iron is hereby amended by adding the following:

- (7) Prefabricated utility enclosure up to 400 square feet provided lot size and setbacks meet the requirements of 154.023 (D).

**Section 8. Amending Section 154.024.** Section 154.024(C) of the City Code for City of Mountain Iron is hereby amended by adding the following:

- (7) Prefabricated utility enclosure over 400 square feet provided lot size and setbacks meet the requirements of 154.023 (D).

**Section 9. Amending Section 154.084.** Section 154.084 of the City Code for City of Mountain Iron is hereby repealed and replaced with the following:

Prefabricated utility enclosures may be used without a permit in any district as temporary protection for construction equipment and materials being used to construct a structure for which a building permit has been issued.

**Section 10. Repeal of Inconsistent Ordinance.** All Ordinances inconsistent herewith are hereby repealed and replaced with the provisions of this Ordinance.

**Section 11. Effective Date.** This Ordinance shall be effective according to State Statute.

**DULY ADOPTED BY THE CITY COUNCIL THIS 2<sup>nd</sup> DAY OF APRIL, 2007.**

\_\_\_\_\_  
Mayor Gary Skalko

Attested:

\_\_\_\_\_  
City Administrator



March 26, 2007

Mountain Iron City Council  
8586 Enterprise Drive South  
Mountain Iron, MN 55768

To: Mountain Iron City Council

Re: Authorization for one day liquor license

The Magic Bar of Virginia Minnesota would like to request that a one day liquor license be granted for use at the Mountain Iron Community Center. The Engineers Club will be holding a meeting on May 2, 2007, this will be catered by Northgate Plaza and they would like to have a happy hour served before dinner. Enclosed please find a copy of my Minnesota Liquor License and my insurance information. I appreciate your time and attention to this matter and look forward to hearing from you. If you have any questions please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script that reads "Pat Meinzer".

Pat Meinzer  
owner, Magic Bar

**FOUNDERS INSURANCE COMPANY<sup>SM</sup>**

A MULTIPLE LINE STOCK COMPANY  
 1645 EAST BIRCHWOOD AVENUE DES PLAINES, IL 60018  
 (800) 972-8778 / Fax (847) 795-0080

LIQUOR LIABILITY  
 NEW BUSINESS DECLARATION

AGENCY ACCT

EFFECTIVE: 01/01/2007

POLICY NUMBER	FROM	POLICY PERIOD	TO		
LLMN000844	01/01/2007	01/01/2008		12:01 AM STANDARD TIME	5100

NAMED INSURED AND ADDRESS	PRODUCER
STAT, INC. DBA: MAGIC BAR 116 CHESTNUT STREET VIRGINIA MN 55792	VAN-BAAK AGENCY 23 W LAKE ST PO BOX 232 CHISHOLM MN 55719

LOCATION ADDRESS (ES) :

(1) 116 CHESTNUT STREET, VIRGINIA, MN 55792

COVERAGE DESCRIPTION(S) :

ITEM	LOC	TERR	CLASS	EXPOSURE
001	001	005	1212	80,000

COVERAGE LIMITS:

	PER PERSON	OCCURANCE	AGGREGATE	PREMIUM
COMBINED SINGLE LIMIT		300,000	300,000	\$ 2,936.00

FULLY EARNED POLICY FEE \$ 160.00

TOTAL ADVANCE PREMIUM ..... \$ 3,096.00

\$ 1500

State of Minnesota  
County of St. Louis

No. 13

Municipality of Virginia

# Liquor License - "On Sale"

PURSUANT TO APPLICATION THEREFOR, payment of a fee of \$1500 and upon investigation and satisfactory evidence of the qualification of the licensee...herein named to receive the same and that the place of sale hereinafter described is a proper and legal place thereof,

LICENSE IS HEREBY GRANTED  
TO

STAT INC. D/B/A MAGIC BAR

For term of ONE YEAR from the 1st day of January 2007, TO SELL INTOXICATING LIQUORS as defined by law AT RETAIL ONLY FOR CONSUMPTION "ON THE PREMISES" described as Magic Bar, located at 116 Chestnut Street, IN THE MUNICIPALITY OF VIRGINIA in said County and State, at which Premises said licensee...controls...and operates...a RESTAURANT as defined by law; subject, however, to the laws of the United States, the laws of the State of Minnesota, the regulations of the LIQUOR CONTROL COMMISSIONER, relating to the sale and distribution of intoxicating liquors, hereby made a part hereof, and subject to revocation according to law for violation thereof.

This license is non-transferable except by consent of the authority issuing the same.

WITNESS THE GOVERNING BODY OF THE MUNICIPALITY OF VIRGINIA and the seal thereof this 29th day of November 2006.

ATTEST:

The City Council of the City of Virginia

*Ronald Lachner*  
City Clerk

City Clerk in Charge Director

*Mark L. Johnson*

Alcohol & Gambling Enforcement Director

*Ernest James Shelton*  
Mayor

JAN 5 2007

Date

\$200

State of Minnesota  
County of St. Louis

No. 8

Municipality of Virginia

Special Sunday

*Liquor License - "On Sale"*

PURSUANT TO APPLICATION THEREFOR, payment of a fee of \$200 and upon investigation and satisfactory evidence of the qualification of the licensee. Herein named to receive the same and that the place of sale hereinafter described is a proper and legal place thereof.

LICENSE IS HEREBY GRANTED

TO

STAT Inc. d/b/a Magic Bar

for the term of ONE YEAR from the 1<sup>st</sup> day of January, 2007, TO SELL INTOXICATING LIQUORS as defined by law AT RETAIL ONLY FOR CONSUMPTION "ON THE PREMISES" described as Magic Bar, located at 116 Chestnut Street, IN THE MUNICIPALITY OF VIRGINIA in said County and State, at which premises said license..... control...and operate...a RESTAURANT as defined by law; subject, however, to the laws of the United States, the laws of the State of Minnesota, the regulations of the LIQUOR CONTROL COMMISSIONER, relating to the sale and distribution of intoxicating liquors, hereby made a part hereof, and subject to revocation according to law for violation thereof.

This license is non-transferable except by consent of the authority issuing the same.

WITNESS THE GOVERNING BODY OF THE MUNICIPALITY OF VIRGINIA and the seal thereof this 29th day of November 2006.

ATTEST:

*Ronald Lockman*  
City Clerk

*Mark K. Shultz*  
Alcohol & Gambling Enforcement Director

JAN 5 2007  
Date

The City Council of the City of Virginia

BY: *Joseph Jerome Schutheim*  
Mayor

**COUNCIL LETTER 040207-VIF**

**COUNCILOR ROSKOSKI**

**IRON RANGE VETERANS MEMORIAL CONTRIBUTION**

**DATE:** March 28, 2007

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

Make this a Resolution: On behalf of all those from Mountain Iron who have served in the armed forces, the City of Mountain Iron should make a contribution, perhaps \$1,000 from our Mining Effects Tax Account, to the Iron Range Veterans Memorial project.

**COUNCIL LETTER 040207-VIG**

**COUNCILOR ROSKOSKI**

**IRRR HOUSING PARTICIPATION**

**DATE:** March 28, 2007  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

Contrary to what Mountain Iron has previously been told, it appears that the IRRR has monies available for housing projects. REF: Article in the Monday, March 26<sup>th</sup> Mesabi Daily News, Page B2.

The City should contact the IRRR to see what may be available for us to tap into for the Unity 2 Expansion project.

Staff Note: The IRA was previously contacted; the grant awarded for the housing project in Eveleth, as was presented on Page B8 of the March 26<sup>th</sup> Mesabi Daily News, was awarded in 2002 when the IRA had the housing program in place. The grant was from the same program that the City of Mountain Iron used for the original Unity Addition. The IRA currently does not have a housing program in place. (CJW)

**COUNCIL LETTER 040207-VIH**

**COUNCILOR ROSKOSKI**

**MINELAND/DNR RECLAMATION GRANTS**

**DATE:** March 28, 2007  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

Buhl appears to have obtained a grant/grants for a housing project through some Mineland Reclamation/DNR programs. REF: Buhl public hearing televised over their public access channel. Being Mountain Iron has abandoned miles of public streets, sewer and water lines in Parkville because of mining expansion and more is anticipated, the City should explore what monies may be available to us because of how our community is being impacted by mining.

Staff Note: The funding from Mineland Reclamation to the City of Buhl for a potential housing development is due to the fact that the proposed development is located on the banks of a mine pit. As indicated in the name of the organization, the funding is used for the reclamation of lands that have been directly impacted by mining activities. (CJW)

**COUNCIL LETTER 040207-VII**

**COUNCILOR ROSKOSKI**

**REAL ESTATE CONSULTANT**

**DATE:** March 28, 2007  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

The Council should hire two firms to come up with appraisals as to the value of the lots in the Unity 2 expansion area and an opinion as to the market place salability of the lots and at what price.



**COUNCIL LETTER 040207-VIJ**

**COUNCILOR ROSKOSKI**

**FINANCIAL CONSULTANT**

**DATE:** March 28, 2007

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

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Councilor Roskoski requested this item be placed on the agenda with this background information:

Because the proposed Unity 2 expansion appears to pose a large financial risk to the City, we should have someone with an accounting or money background give us some financial advice as to the feasibility on how the project will cash flow out.

Staff Note: Staff has been working with the City financial advisor on the proposed expansion as well as the proposed 2007 street program. Once the public hearings are undertaken and the scope of work has been completed financial projections and potential bond amounts will be brought forward. (CJW)

COMMUNICATIONS  
APRIL 2, 2007

1. Virginia Regional Medical Center Foundation, a thank you for the support of the 5<sup>th</sup> Annual Mrk "Bush" Prebeg Memorial Snowmobile Ride.



place  
under  
communications

March 22, 2007

Dear Bush Memorial Sponsor:

On behalf of the entire Prebeg family, we want to personally thank you for your support of the 5<sup>th</sup> Annual Mark "Bush" Prebeg Memorial Snowmobile Ride held on February 10. It was a great success and wonderful tribute to our brother. The event this year was the most successful ever, raising \$20,137 and there are still checks coming in!

This snowmobile ride is supporting the work of the Diabetes Center at VRMC. The center is a resource for those with diabetes to provide education and support services for individuals with diabetes and their families. The Diabetes Center staff is grateful to you for supporting the event and in turn, supporting their work.

Mark your calendars for February 16, 2008 when we will be having the 6<sup>th</sup> Annual Prebeg Memorial Snowmobile Ride! We hope you will join us as we plan to put together another great event. Since the beginning of these rides, we have raised more than \$55,000 for The Diabetes Center. Thanks for being a partner in our efforts and keeping Bush's memory alive.

Warm Regards,

Joe Prebeg

Mary Hilfers

Lisa Zgaynor

Jon Prebeg

Dan Prebeg

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MISSION STATEMENT

*To improve the quality of life in our communities through the support of health and wellness initiatives of VRMC and other organizations which promote healthier lifestyles and local access to quality health care services.*