

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, APRIL 17, 2006 - 6:30 P.M.
A G E N D A**

- I. Roll Call
 - II. Consent Agenda
 - A. Minutes of the March 20, 2006 Regular Meeting (#1-15)
 - B. Minutes of the April 3, 2006 Regular Meeting (#16-25)
 - C. Minutes of the April 11, 2006 Board of Review (#26-27)
 - D. Communications (#52-67)
 - E. Receipts
 - F. Bills and Payroll
 - III. Public Forum
 - A. Reconvene Board of Review
 - B. Greg Chad - First Responders
 - C. Calvary Cemetery Association (#28)
 - IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. 2006 Street Projects (#29)
 - B. City Administrator's Report
 - C. Director of Public Works Report
 - 1. Large Trash Pickup (#30-31, 35)
 - 2. Service Installation Fee (#30,34)
 - 3. Waste Water Rates (#30, 32-35)
 - 4. Transformer Quotes (#36-38)
 - D. Director of Parks and Recreations Report
 - E. Sheriff's Department Report (#41)
 - 1. Costs for Attendance at Every Meeting (#42)
 - F. City Attorney's Report
 - 1. Meeting Procedures (#43)
 - G. City Engineer's Report
 - H. Liaison Reports
 - V. Unfinished Business
 - VI. New Business
 - A. Resolution Number 10-06 Sale of Property (#44-47)
 - B. Resolution Number 11-06 Prevention Minnesota Proposal (#47-48)
 - C. Land Exchange (#49)
 - D. Community Center Fees (#50)
 - E. Communications (#52-67)
 - VII. Open Discussion
 - VIII. Announcements
 - IX. Closed Meeting (#51)
 - X. Adjourn
- # Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
MARCH 20, 2006

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Allen Nelson, Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Don Kleinschmidt, Director of Public Works; Larry Nanti, Recreation Director; Wade Rasch, Sergeant, St. Louis County; and Rod Flannigan, City Engineer.

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

The Mayor advised the Council that the City Attorney would not be at the meeting due to a family emergency.

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

1. Add the following items to the agenda:
 - IV. A. 1. Resolution #08-06, Approving a Development Agreement with Mountain Timber Properties, LLC
 - IV. I. 2. Planning and Zoning Liaison Report
 - VII. 1. Roskoski Open Discussion Items
2. Approve the minutes of the March 6, 2006, 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, 2006, totaling \$130,301.86, (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, 2006, totaling \$151,163.36, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

The Council discussed procedures for authorizing non-mandatory training. The City Administrator said he would research the motions and supply the information to the Council.

During the public forum, Richard Moore was present and said that he had applied for the Wastewater Treatment Plant Operator position with the City. He said that the letter from the City of Mountain Iron stating that the City is looking for people with more qualifications. He asked the Council what qualifications he was missing in his resume. Councilor Prebeg said that the Personnel Committee reviewed all of the applications with regard to all of the

requirements asked for by the City. Councilor Prebeg stated that the Personnel Committee was interviewing those applications with the necessary licenses. Councilor Nelson outlined the scoring process completed by the Personnel Committee.

It was moved by Skalko and seconded by Nelson to adopt Resolution #08-06, approving a Development Agreement with Mountain Timber Properties, LLC, (a copy is attached and made a part of these minutes). The motion carried with Councilor Irish and Roskoski voting no.

Councilor Roskoski questioned the City Administrator regarding the logging off of the property by the City Garage. The City Administrator said that the City Council and the Economic Development Authority did approve the Development Agreements and that all the activities on the property are outlined in the agreement.

It was moved by Nelson and supported by Prebeg to accept the recommendation of City Staff and purchase one cab and chassis from Skubic Brothers International at their bid price of \$52,522.00 and the chassis equipment from United Truck Body at their bid price of \$31,860.21 for a total package price of \$84,382.21. The motion carried on the following roll call vote: Nelson, yes; Irish, yes; Roskoski, no; Prebeg, yes; and Skalko, yes.

It was moved by Roskoski and seconded by Irish to have the Director of Public Works compile a list of tentative Summer Projects planned for the 2006 work season, with the list being available for the April 3, 2006, City Council meeting packet. The motion carried.

The Council discussed the storm sewer odor information submitted by Councilor Roskoski. The Director of Public Works said that he would follow up on the matter and submit additional information at the next regular meeting.

The Mayor questioned the Director of Public Works regarding a meeting set up with the Virginia Street and Alley Committee meeting and the Mountain Iron Street and Alley Committee to discuss the 16th Avenue Improvement Project. The meeting was set for 3:30 p.m. on March 21, 2006.

Councilor Roskoski asked the Director of Public Works how the Utility Advisory Board (UAB) would be setting up the pallet pickup without the customers being charged. The Director of Public Works said that the UAB reviewed the situation and they decided that as of May 1, 2006, the City would discontinue the pallet pickup from the four businesses involved.

Councilor Roskoski questioned the status of the street lights on Heron Street in the Parkville area. The Director of Public Works said that the UAB discussed the street lighting in Parkville. Councilor Roskoski said that he had heard that a petition was passed around Parkville and residents had signed it and requested that the street lights on corner of Heron and Falcon and the corner of Heron and Eagle remain lit and this was presented to the UAB. The Mayor said that if a petition was submitted, it should go to the Council. Councilor Prebeg said that it was not a petition, but a list of names of people wanting street lights. The

UAB said that they saw no safety reasons to continue have all of the lights remaining on due to the vacant properties and the lack of traffic.

It was moved by Skalko and seconded by Nelson to authorize City Staff to advertise for applications for temporary summer employees. The motion carried.

It was moved by Skalko and seconded by Prebeg to approve the contact renewal for Wilbur and Violette Ball for caretakers for the 2006 season at wage of \$550 per week. The motion carried.

Councilor Nelson advised the Blight Officer of a blight issue at 5619 Nichols Avenue, Parkville. The Blight Officer said that when he has checked the property, that there were no blight violations. The Sergeant said that he would check the City Ordinance regarding the number of unlicensed vehicles that are allowed to be stored on property.

The Council reviewed the February 2006 Activity Report for the Mountain Iron Sheriff's Department.

It was moved by Roskoski and seconded by Irish to direct the City Engineer to survey the intersection of Spruce Drive and Aspen Lane and see how much more the sewer manhole needs to be raised up, with the surveying being completed now before the frost is out of the ground. And further, have the City Engineer develop a plan, with cost estimates, to correct the problem and submit the information to the City Council for further consideration. After further discussion, Councilor Roskoski amended his motion to withdraw the survey and engineering costs for the project and have the City Engineer study and review the project. Councilor Irish supported the amendment. The amended motion carried.

The Council reviewed the draft Purchase Agreement for the land purchase between the City of Mountain Iron and the Mountain Iron-Buhl School District.

It was moved by Irish and seconded by Skalko to adopt Ordinance Number 01-06, amending the official zoning map in and for the City of Mountain Iron, (a copy is attached and made a part of these minutes). The motion carried.

Councilor Roskoski advised the Council that the Library Board's top priority right now is the selection of the Library Director. Councilor Roskoski requested that the City Council review the cupola over the library upper-level internal door for discussion at a future meeting. Councilor Prebeg said that the Library Board Members that he spoke with thought that once the cupola was stained it would look appropriate. The Director of Public Works said that he spoke with the Architect and was advised that the cupola was necessary, it is a smoke canopy and is required by the fire code, and extends out in front of the elevator. Councilor Prebeg said that there are a large number of change orders on the Library Project and he did not feel that this was questionable. The Mayor said that they are working on a 90 year old Library building with no blue prints and change orders were anticipated.

Councilor Roskoski spoke regarding a concern from the Planning and Zoning Commission (P&Z) regarding a proposed building permit for a Walgreen Store at the intersection of Highway 53 and Mountain Iron Drive. The P & Z Commission felt that this project should have been reviewed by them first. Commission Skogman said that he thought the P & Z Commission questioned whether the bank would still be going in the Walgreen building and the setbacks requirements.

It was moved by Skalko and seconded by Nelson to adopt Resolution Number 06-06, application for permit for construction and acceptance of right-of-way revision, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Nelson and seconded by Skalko to adopt Resolution Number 07-06, supporting the Mountain Iron DARE fundraiser, (a copy is attached and made a part of these minutes). After further discussion, Councilor Nelson amended his motion to direct the City Attorney to review if the resolution is legal for the City to authorize. Mayor Skalko supported the amendment. The amended motion carried with Councilor Roskoski voting no.

It was moved by Skalko and seconded by Prebeg to allow Five Star Living of Virginia/Mountain Iron to construct an access road/driveway off of Unity Drive directly across from Coral Lane. The motion carried with Councilor Roskoski voting no.

It was moved by Nelson and seconded by Prebeg to direct the Planning and Zoning Commission to research and come up with a recommendation on the possibility of requiring proof of property lines prior to the issuance of a building permit for any permanent structure or fence. After further discussion, Councilor Nelson amended his motion by adding having the easements listed on the building permit application. Councilor Prebeg supported the amendment. The amended motion carried.

Councilor Roskoski asked questions regarding the new construction in the 13th Street/Mountain Iron Drive corner area. He was advised that City Staff had already contacted the developers regarding this issue.

The Council reviewed the list of communications.

It was moved by Roskoski and seconded by Irish that, with regard to the February 27, 2006 letter received from Canadian National (CN), that a letter from the City of Mountain Iron be sent to Terry D. Lee, the manager of public works for CN, stating that the City of Mountain Iron is not interested in closing the Unity Drive crossing because it would impede normal daily traffic patterns and substantially affect the businesses that are in that area. The **motion failed** with Councilor Prebeg, Councilor Nelson, and Mayor Skalko voting no.

During the open discussion, Councilor Irish commented on the list of carryover projects presented at the last Council meeting.

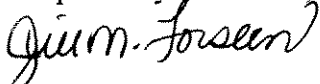
It was moved by Roskoski to direct the City Administrator to follow-up on the City Council meeting tapes to see why they were not being played back in their entirety on the television.

After further discussion, Councilor Roskoski withdrew his motion. City Staff said that they would check on the broadcast with the television staff.

Also during the open discussion, Councilor Roskoski discussed the expenditures made for the purchase of City vehicles and the amount of taxes being paid by City residents and businesses in Mountain Iron compared to surrounding cities. The Mayor stated that this Council has been the most frugal group of Council members in many years. The Mayor also stated that changes in legislation have affected the taxes in Mountain Iron. The Council also discussed economic development in the City of Mountain Iron.

At 8:35 p.m., it was moved by Nelson and supported by Prebeg that the meeting be adjourned. The motion carried.

Respectfully submitted,



Jill M. Forseen, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. League of Minnesota Cities, the Friday Fax for March 10, 2006.
2. League of Minnesota Cities, memo from Gary Carlson, Director of Intergovernmental Relations on 2006 City Policies.
3. Mountain Iron Planning & Zoning Commission, a Notice of Public Hearing set for March 27, 2006 for a variance request.
4. Canadian National, a letter concerning the proposed quiet zone for Virginia/Mountain Iron, including updated FRA Inventory Forms for Unity Drive, Southern Drive and Co. Road 102.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	122,664.31
MISCELLANEOUS	REFUNDS/ REIMBURSEMENTS	274.39
METER DEPOSITS	ELECTRIC	1,300.00
LICENSES	ANIMAL	50.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	650.00
MISCELLANEOUS	ELECTRICAL INSPEC FORMS	1.00
MISCELLANEOUS	REIMBURSEMENTS	751.00
CD INTEREST	CD INTEREST 101	1,042.85
CD INTEREST	CD INTEREST 301	169.68
CD INTEREST	CD INTEREST 378	969.68
CD INTEREST	CD INTEREST 602	169.68
CD INTEREST	CD INTEREST 603	290.96
BUILDING RENTALS	COMMUNITY CENTER	75.00
CAMPGROUND RECEIPTS	FEES	265.00
BUILDING RENTALS	NICHOLS HALL	55.00
MISCELLANEOUS	ASSESSMENT SEARCHES	20.00
CD INTEREST	CD INTEREST 103	1,238.91
BUILDING RENTALS	SENIOR CENTER	40.00
COPIES	COPIES	4.25
PERMITS	VARIANCE	150.00
PERMITS	BUILDING	120.15
Summary Totals:		<u>130,301.86</u>

Check Issue Date(s): ALL - ALL

Report Criteria:

Check Check No = 32965, 33027-33087

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
03/06	03/15/2006	32965		Void Check	002-20200	.00 V
03/06	03/18/2006	33027	40037	3D SPECIALTIES INC.	002-20200	143.68
03/06	03/18/2006	33028	10013	A T & T INFORMATION SYSTEMS	002-20200	101.50
03/06	03/18/2006	33029	10048	AFRICAN AMERICAN PUBLICATIONS	002-20200	469.90
03/06	03/18/2006	33030	10008	AIRGAS NORTH CENTRAL	002-20200	400.03
03/06	03/18/2006	33031	3035	AMANDA WEHRMAN	002-20200	1.85
03/06	03/18/2006	33032	10021	ARROWHEAD LIBRARY SYSTEM	002-20200	653.38
03/06	03/18/2006	33033	20014	BORDER STATES ELECTRIC SUPPLY	002-20200	2,732.04
03/06	03/18/2006	33034	20007	BP	002-20200	1,826.52
03/06	03/18/2006	33035	3033	BROOKE JONES	002-20200	89.73
03/06	03/18/2006	33036	30061	CELLULARONE	002-20200	421.32
03/06	03/18/2006	33037	220003	CITY OF VIRGINIA	002-20200	107.56
03/06	03/18/2006	33038	30005	CLERK OF CONCILIATION COURT	002-20200	10.00
03/06	03/18/2006	33039	30053	CONSOLIDATED TRADING COMPANY	002-20200	1,484.50
03/06	03/18/2006	33040	40003	DEMCO INC	002-20200	93.78
03/06	03/18/2006	33041	40001	DIAMOND LAKE BOOK COMPANY	002-20200	35.85
03/06	03/18/2006	33042	110005	DON KLEINSCHMIDT	002-20200	259.10
03/06	03/18/2006	33043	50031	DR EDWARD KELLER	002-20200	38.00
03/06	03/18/2006	33044	40030	DULUTH CLINIC	002-20200	200.00
03/06	03/18/2006	33045	500012	ERA LABORATORIES INC	002-20200	397.00
03/06	03/18/2006	33046	3042	EVELETH-GILBERT SWIM BOOSTERS	002-20200	100.00
03/06	03/18/2006	33047	60026	FASTENAL COMPANY	002-20200	384.14
03/06	03/18/2006	33048	60029	FERGUSON ENTERPRISES INC	002-20200	65.40
03/06	03/18/2006	33049	60015	FERRELLGAS	002-20200	123.70
03/06	03/18/2006	33050	90002	INGRAM BOOK COMPANY	002-20200	93.37
03/06	03/18/2006	33051	3043	JANET SKINNER	002-20200	100.00
03/06	03/18/2006	33052	3032	JESSICA PETERSON	002-20200	286.07
03/06	03/18/2006	33053	60018	JILL M FORSEEN	002-20200	467.47
03/06	03/18/2006	33054	3034	KEVIN POLLA	002-20200	117.12
03/06	03/18/2006	33055	120006	L & M SUPPLY	002-20200	910.13
03/06	03/18/2006	33056	120032	LAKE COUNTRY POWER	002-20200	130.00
03/06	03/18/2006	33057	3044	LISA CASILLO	002-20200	50.00
03/06	03/18/2006	33058	120004	LITERARY GUILD	002-20200	43.02
03/06	03/18/2006	33059	3041	LORI PASCHKE	002-20200	100.00
03/06	03/18/2006	33060	3039	MARGARET SOYRING	002-20200	50.00
03/06	03/18/2006	33061	3040	MARY JO GLAVAN-SALO	002-20200	50.00
03/06	03/18/2006	33062	130047	MED COMPASS	002-20200	450.00
03/06	03/18/2006	33063	130093	MESABI RANGE COLLEGE	002-20200	290.00
03/06	03/18/2006	33064	3038	MICHELLE SIMON	002-20200	100.00
03/06	03/18/2006	33065	130015	MOUNTAIN IRON PUBLIC UTILITIES	002-20200	14,300.98
03/06	03/18/2006	33066	140023	NELSON COLLIE ELECTRIC	002-20200	130.00
03/06	03/18/2006	33067	40032	OFFICE OF ENTERPRISE TECHNOLOG	002-20200	400.99
03/06	03/18/2006	33068	150014	ONE CALL CONCEPTS INC	002-20200	11.60
03/06	03/18/2006	33069	160003	PERPICH TV & MUSIC INC	002-20200	49.57
03/06	03/18/2006	33070	160038	PITNEY BOWES	002-20200	272.47
03/06	03/18/2006	33071	170005	QUALITY FLOW SYSTEMS INC	002-20200	180.00
03/06	03/18/2006	33072	170007	QUILL CORPORATION	002-20200	286.82
03/06	03/18/2006	33073	170001	QWEST	002-20200	474.48
03/06	03/18/2006	33074	180045	RESERVE ACCOUNT	002-20200	500.00
03/06	03/18/2006	33075	3031	SANDERIA AJASA	002-20200	113.73
03/06	03/18/2006	33076	190024	ST LOUIS CO SHERIFF LITMAN	002-20200	35,000.00
03/06	03/18/2006	33077	190002	ST LOUIS COUNTY AUDITOR	002-20200	25.00
03/06	03/18/2006	33078	1244	ST LOUIS COUNTY SOCIAL SRV	002-20200	213.42
03/06	03/18/2006	33079	5003	STEVE NORVITCH	002-20200	27.68

Check Issue Date(s): ALL - ALL

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
03/06	03/18/2006	33080	3037	TRISTIN MCQUIRE	002-20200	25.00
03/06	03/18/2006	33081	3036	ULLAND BROS. INC.	002-20200	50.00
03/06	03/18/2006	33082	210001	UNITED ELECTRIC COMPANY	002-20200	1,202.90
03/06	03/18/2006	33083	220026	VIRGINIA HOME CENTER	002-20200	107.65
03/06	03/18/2006	33084	220020	VISA OR AMERICAN BANK CC PMT	002-20200	4,846.30
03/06	03/18/2006	33085	230005	WESCO DISTRIBUTION INC	002-20200	26,603.46
03/06	03/18/2006	33086	230029	WORLD REFERENCE RESOURCES	002-20200	69.50
03/06	03/18/2006	33087	240001	XEROX CORPORATION	002-20200	79.88
Totals:						98,347.59
		32965		Mtn Iron Postmaster		297.85
				Payroll-PP Ending 3/10/06		52,517.92
				TOTAL EXPENDITURES		<u>\$151,163.36</u>



CITY OF MOUNTAIN IRON

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ORDINANCE NUMBER 01-06

AMENDING THE OFFICIAL ZONING MAP IN AND FOR THE CITY OF MOUNTAIN IRON

THE CITY COUNCIL OF MOUNTAIN IRON ORDAINS:

Section 1. Amending the Official Zoning Map. The Official Zoning Map for City of Mountain Iron is hereby amended as follows:

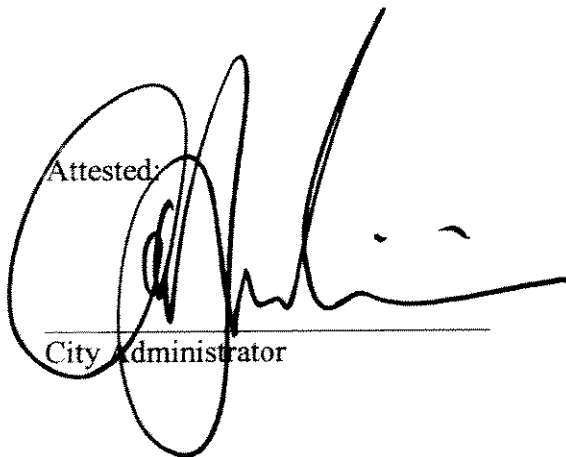
The Zoning District of the following parcels is hereby changed from Commercial (C) to Urban Residential – Sewered (UR/S):

Lots 4, 5, 11, 12, 13, 14 and 15, Block 1, Canadian Northern Second Addition, City of Mountain Iron, County of Saint Louis, State of Minnesota.

Section 2. Repeal of Inconsistent Ordinance. All Ordinances inconsistent herewith are hereby repealed and replaced with the provisions of this Ordinance.

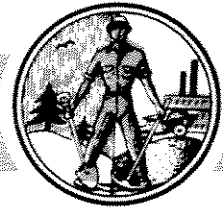
DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF MARCH, 2006.

Attested:



City Administrator

Mayor Gary Skalko



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RESOLUTION NUMBER 06-06

APPLICATION FOR PERMIT FOR CONSTRUCTION AND ACCEPTANCE OF RIGHT-OF-WAY REVISION

WHEREAS, the City of Mountain Iron desires to install utilities and construct a road within the Highway 169 right-of-way; and,

WHEREAS, the City has requested that certain Highway 169 right-of-way be transferred to the City; and,

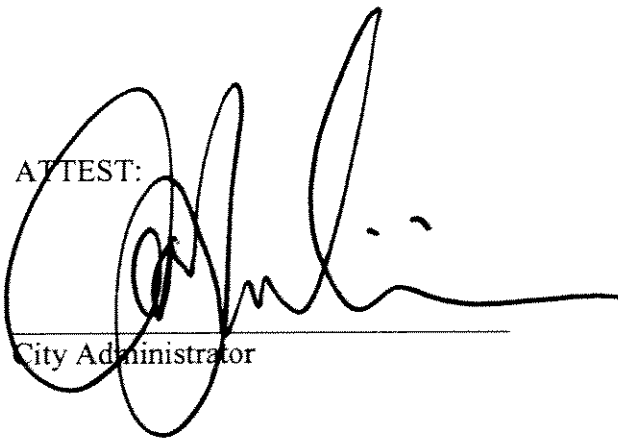
WHEREAS, the Minnesota Department of Transportation controls said highway right-of-way.

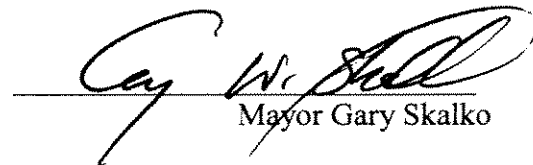
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City hereby applies and will accept a permit to install utilities and construct a road within the Highway 169 right-of-way described in Exhibit A which is incorporated herein.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that it will accept Highway 169 right-of-way revisions as described in Exhibit B which is incorporated herein.

DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF MARCH, 2006.

ATTEST:



City Administrator

Mayor Gary Skalko

EXHIBIT A

Description of Area for Requested Permit

The Southwest Quarter of the Southeast Quarter (S½ of SE¼) of Section 11, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota.

EXHIBIT B

Description of Requested Right-of-Way Reversion

The South Half of the Southeast Quarter (S1/2 of SE¼) of Section 11, Township 58 North, Range 18 West of the Fourth Principal Meridian, in the City of Mountain Iron, St. Louis County, Minnesota.



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 07-06

SUPPORTING MOUNTAIN IRON DARE FUNDRAISER

WHEREAS, the City of Mountain Iron feels that the DARE Program is valuable for the students of our community; and,

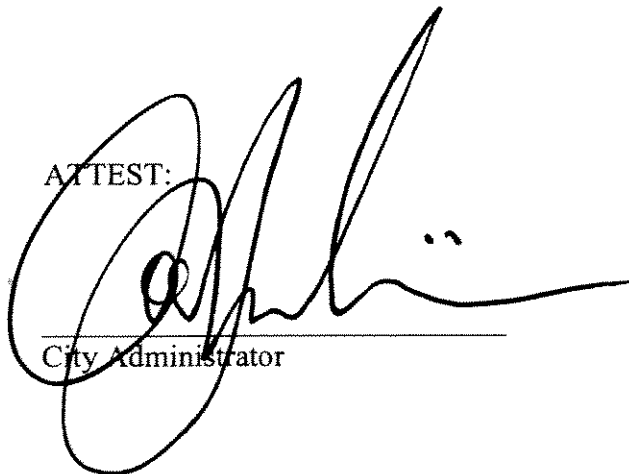
WHEREAS, April 19, 2006, is the date of the Mountain Iron DARE Fundraiser at the Mountain Iron Community Center.

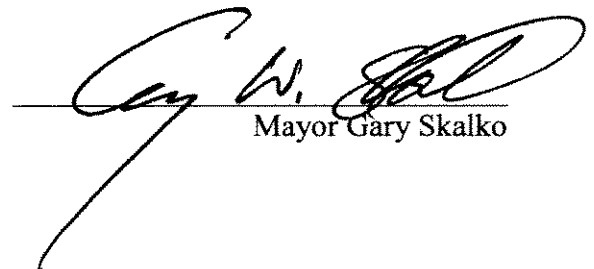
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that it fully supports and endorses the efforts of the Mountain Iron DARE Fundraiser.

AND BE IF FURTHER RESOLVED BY THE MOUNTAIN IRON CITY COUNCIL, that it endorses the use of City Staff and facilities for the DARE Fundraiser on April 19, 2006.

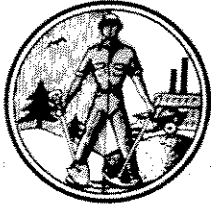
DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF MARCH, 2006.

ATTEST:



City Administrator

Mayor Gary Skalko



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RESOLUTION NUMBER 08-06

APPROVING A DEVELOPMENT AGREEMENT WITH MOUNTAIN TIMBER PROPERTIES LLC

WHEREAS, the City of Mountain Iron, Minnesota (the "City") has caused to be prepared and executed by the City a Development Agreement (the "Development Agreement") with Mountain Timber Properties LLC (the "Developer"), for the development certain property in Sections 9 and 10, Township 58 North, Range 18 West, as specifically described in the Development Agreement (the "Property").

WHEREAS, the City Council of the City of Mountain Iron, Minnesota (the "City") previously approved the Development Agreement with Developer by a motion at its regular City Council meeting on July 5, 2005.

WHEREAS, the City has previously approved amendments to the Development Agreement by Resolutions numbered 29-05, 30-05, and 43-05, which amendments extend the closing date of the sale of the Property to the Developer, and permit the re-transfer of part of the Property to the Laurentian Energy Authority by the Developer for the purpose of construction of a Wood Yard by the Authority.

WHEREAS, the preparation of an abstract of title to the Property, the raising of certain objections and defects to the title to the Property, and the curing of some of the title defects and objection so raised have all caused a delay in the closing of the sale of the Property to the Developer.

WHEREAS, some, but not all, of the title defects and objections have been cured at this time.

WHEREAS certain title defects and objections with respect to portions of the Property, but not all of the Property, remain presently uncured and may require a quiet title action to cure and other objections may require the acquisition by the City of additional property, and such title defects and objections prevent the closing of the sale of all of the Property to the Developer at this point in time.

WHEREAS, the Developer and the City nevertheless desire to proceed to close the sale of the portions of the Property for which any defects and objections to title have been cured, and further desire to postpone, but not cancel, the closing of the sale of the portions of the Property for which further action is necessary to cure defects and objections to the title.

WHEREAS, a closing of the sale of part of the Property now and part of the Property at a later may necessitate an extension of the closing date in the Development and other amendments to the Development Agreement.

NOW THEREFORE:

BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City hereby approves the Development Agreement as previously presented to the City Council, authorizes the Mayor and City Administrator to execute the Development Agreement on behalf of the City, and ratifies the prior execution of the Development Agreement on behalf of the City. The Development Agreement in the form executed is hereby incorporated by reference and made a part hereof.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City hereby approves the attached amendment to the Development Agreement to extend the closing date to December 31, 2006.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City hereby approves the sale of the Property to the Developer pursuant to the terms and conditions of the Development Agreement, as amended.

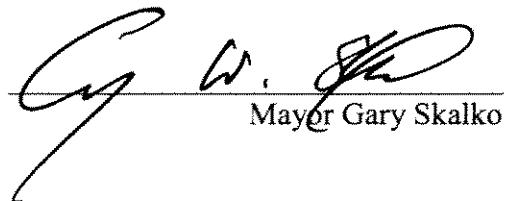
BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City hereby authorizes its Mayor and City Administrator, on behalf of the City, to execute any and all such documents and instruments as may be necessary to facilitate the closing of the sale of the Property to the Developer, including any amendment or amendments to the Development Agreement and any other documents as may be necessary to facilitate the closing of the sale of the Property to the Developer through two or more separate closings in which portions of the Property are sold, conveyed and transferred at each such closing, so long as any such amendments, documents, and instruments continue to require the Developer to complete the acquisition of all of the Property at such time as the remaining title defects and objections are cured.

DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF MARCH, 2006.

ATTEST:



City Administrator



Mayor Gary Skalko

MINUTES
MOUNTAIN IRON CITY COUNCIL
APRIL 3, 2006

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Allen Nelson, Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Wade Rasch, Sergeant, Saint Louis County; and Rod Flannigan, City Engineer (entering at 7:10 p.m.)

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

The Mayor made a presentation regarding the Council and appropriate behavior at City Council meetings. The Mayor said that this is regarding open, healthy, and civil discussion, debate, and disagreement both with the Council members and the audience members. The Mayor said that at the last few meetings the discussion has not been appropriate. The Mayor said that the recent inappropriate behavior will come to a halt. The Mayor said that he met with City Attorney and the Sergeant of the Sheriff's Department regarding the matter. The Mayor said that beginning tonight he would be implementing a new procedure. The Mayor said that if the inappropriate behavior by the Council Member(s) continues, he will seek a recess, if he has the Council's support, the meeting will be recessed until the next day at 4 p.m. The Mayor said that if the first step does not work, he will reconvene the meeting and have a representative from the Sheriff's Department remove the individual(s) causing disruptive behavior and then continue with the meeting. The Mayor said that there would be a Sheriff at every regular Council meeting from now on.

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

1. Add the following items to the agenda:

I. Liaison Report	A. Library Elevator
VI. New Business	F. 13 th Street Traffic Control
2. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period March 16-31, 2006, totaling \$165,453.98, (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 16-31, 2006, totaling \$228,667.77, (a list is attached and made a part of these minutes).

The motion carried on the following roll call vote: Prebeg, yes; Nelson, yes; Irish, no; Roskoski, no; and Skalko, yes.

At 6:36 p.m., it was moved by Nelson and supported by Skalko to recess the regular meeting and open the public hearing regarding the street vacation with the West Virginia Plat in the City of Mountain Iron. The motion carried.

The City Administrator advised the Council that the public hearing was being conducted because of a petition submitted by the residents along part of 3rd Street (known as 10th Street).

The Council questioned Mr. Tamaro and Mr. Pettinelli regarding access to the parcels. It was the consensus of the Council to have the City Attorney review the vacation request.

At 6:48 p.m., it was moved by Nelson and supported by Prebeg to adjourn the public hearing and reconvene the regular meeting. The motion carried.

The Mayor presented a retirement plaque to Karen Luoma, Librarian, for the 32 years of service to the City of Mountain Iron.

During the Mayor's report, the Mayor commented on references made at the last meeting regarding city spending practices and our taxes being higher than the neighboring communities. The Mayor presented comparisons in taxes for like properties with the neighboring community, in all comparisons; the taxes in Mountain Iron were less than the neighboring community. The Mayor reference the per capita spending per individual; in Virginia in 2004 it was \$1,050/per person and Mountain Iron was \$612/per person.

Councilor Roskoski made some comments regarding building expenses and economic development in Mountain Iron.

During the City Administrator's report, Councilor Roskoski questioned the Administrator regarding non-mandatory training. Councilor Prebeg said that the motions are clear for non-mandatory training that the Department Head makes a recommendation to the City Council for final approval. Councilor Irish felt that the City Administrator should notify the Fire Chief that all non-mandatory training must come before the City Council for final approval.

The Council reviewed the list of tentative projects for 2006 as prepared by the Director of Public Works.

The Mayor thanked the Sergeant for meeting with him and assisting with having a Deputy attend every regular City Council meeting. Councilor Irish felt that this item should be on the next agenda due to the additional expenses of having a Deputy at the Council meetings. The Mayor felt that the additional security at the City Council meetings was much needed.

Councilor Roskoski questioned the City Engineer regarding the 16th Avenue Improvement Project. He said that two of the property owners on 16th Avenue felt that

the road was originally dug down approximately eight feet to good soil and back filled with good soil. Councilor Roskoski asked if the City Engineer had researched how the road was originally reconstructed. The City Engineer said that the road was sub cut, but he could not verify to what depth. The City Engineer said that drain tiles would be added under the street.

Councilor Roskoski asked City Staff regarding the logging in the tailing pond area (the “Desert” site). The Mayor said that he would call Paul Cerkenik regarding the logging in the area.

It was moved by Nelson and supported by Skalko to accept the recommendation of the Planning and Zoning Commission and approve the variance from the setback requirements on the north and west sides of their property to construct a commercial building closer to the lot line than allowed by the ordinance. The property is legally described as follows:

Easterly 100 feet of the Westerly 125 feet of all that part of the Northerly 315.83 feet of the Southeast Quarter of the Northeast Quarter, Section 13, Township 58 North, Range 18 West of the Fourth Principal Meridian lying Easterly of the right-of-way of the Duluth, Winnipeg, and Pacific Railroad Company and Westerly of the right-of-way of State Highway No. 53, according to the United States Government Survey thereof.

And;

A parcel of land in FIRST ADDITION TO WEST VIRGINIA, which is a parcel of land lying in the Southeast Quarter of the Northeast Quarter, Section 13, Township 58 North, Range 18 West of the Fourth Principal Meridian, according to the U. S. Government Survey thereof, in the County of St. Louis, State of Minnesota, more particularly described as follows: the southerly 200 feet of the north 315.85 feet lying east of the west 125 feet and west of the right-of-way of State Highway No. 53.

The motion carried.

It was moved by Prebeg and supported by Skalko to accept the recommendation of the Library Board and hire Sally Peterangelo for the Library Director Position beginning April 3, 2006. The motion carried with Councilor Irish and Councilor Roskoski voting no.

It was moved by Nelson and supported by Skalko to accept the recommendation of the Personnel Committee and hire Tim Satrang for the full-time position of Water and Wastewater Treatment Plant Operator. The motion carried with Councilor Roskoski voting no.

The Council discussed the Library Project with regard to the elevator cupola. No further action was taken on the matter.

It was moved by Irish and supported by Skalko to direct City Staff to contact the library contractor immediately to have the library elevator shaft secured on the basement floor. The motion carried.

It was moved by Nelson and supported by Prebeg to adopt Resolution Number 09-06, setting a hearing on vacation, (a copy is attached and made a part of these minutes). The motion carried with Councilor Roskoski voting no.

It was moved by Nelson and supported by Skalko to authorize payment of the 2006 appropriation of \$2,500 to Calvary Cemetery Association. After further discussion, Councilor Nelson amended his motion to appropriate the amount that had been budgeted in 2006. Mayor Skalko supported the amendment. The amended motion carried.

The Council requested that the City Administrator report the amount contributed to Calvary Cemetery Association at the next regular meeting.

It was moved by Roskoski and supported by Irish that the Cities of Mountain Iron and Virginia draft and submit a joint economic agreement grant for \$250,000 to the IRRR for the 16th Avenue South/Highway 53 Corridor upgrading. Administrative Staff from both communities will work together on the application. Virginia would be the lead community and would submit the grant application on behalf of both cities. The **motion failed** with Councilor Prebeg, Councilor Nelson and Mayor Skalko voting no.

It was moved by Prebeg and supported by Skalko to direct City Staff to look into possible options for a land exchange with the City of Virginia with regard to 16th Avenue and/or any other properties with the City of Mountain Iron or Virginia, and come up with a list of possible suggestions for debate on a land exchange. After further discussion, Councilor Prebeg withdrew his motion and asked City Staff to put this item on the next agenda. Mayor Skalko withdrew his support.

It was moved by Skalko and supported by Nelson to authorize payment request number eight to Lenci Enterprises in the amount of \$19,085.95 for the Library Renovation Project. The motion carried unanimously on a roll call vote.

The Council reviewed the list of communications.

The Council discussed the traffic counts completed recently by Saint Louis County. The City Engineer said that he would be compiling the information to submit to the Council for further discussion. Councilor Roskoski also asked that this information regarding the crossings and quiet zones, be put on the next Street and Alley Committee agenda. Councilor Roskoski felt that the anonymous letter submitted regarding the Unity Drive assisted living facility driveway be put on the next Street and Alley Committee meeting agenda. The majority of the Council felt that an anonymous letter should not be addressed.

It was moved by Roskoski and supported by Irish to direct City Staff to contact Rob Ege, Senior Traffic Planner for MN/DoT, 1123 Mesabi Avenue, Duluth, Minnesota 55811, phone number 218-723-4960 extension 3550, this person would be contacted to work with the Street and Alley Committee along with our City Engineer and Staff and representatives from Walgreen Development, the Sawmill, the AmericInn, and the Planning and Zoning Commission to discuss the 13th Avenue/Mountain Iron Drive area and plan the work in that area. The **motion failed** with Councilor Nelson, Councilor Prebeg and Mayor Skalko voting no.

Councilor Prebeg asked for information regarding Mountain Manor, with 42 apartments available for rent, and 18 being vacant. Councilor Irish said that with 10 vacancies, that is the break even point, beyond that the HRA begins to lose money. Councilor Nelson felt that the Housing and Redevelopment Authority (HRA) should meet and discuss this. It was the consensus of the Council to schedule a HRA meeting on April 17, 2006 at 6:00 p.m. and ask for the Mountain Manor management company to attend the meeting.

At 8:56 p.m., it was moved by Nelson and supported by Skalko that the meeting be adjourned. The motion carried.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. St. Louis County Community Development Division, a notice announcing its CDBG Celebration and 2007 Program Kick Off.
2. VRMC Foundation, a thank you letter from the Prebeg family for supporting the 4th Annual Mark “Bush” Prebeg Memorial Snowmobile Ride.
3. Sam Aluni, Trenti Law Firm, a fax concerning the DARE fundraiser.
4. League of Minnesota Cities, the FridayFax from March 24, 2006.
5. RAMS, a memo from Ron Dicklich with the legislative session report.
6. Brian D. Boder, St. Louis County Traffic Engineer, a letter concerning the traffic count taken on CSAH 102 and CR 657, including the reports for each road.
7. Anonymous note received in the suggestion box concerning the driveway for the new assisted living project.

Summary By Category And Distribution

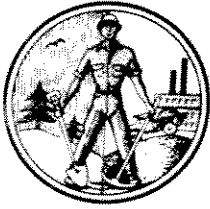
Category	Distribution	Amount
UTILITY	UTILITY	127,052.50
METER DEPOSITS	ELECTRIC	1,050.00
PERMITS	BUILDING	474.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	700.00
LICENSES	ANIMAL	20.00
FINES	CRIMINAL	1,229.85
BUILDING RENTALS	COMMUNITY CENTER	175.00
COPIES	COPIES	125.00
MISCELLANEOUS	ASSESSMENT SEARCHES	20.00
BUILDING RENTALS	SENIOR CENTER	25.00
MISCELLANEOUS	REIMBURSEMENTS	348.98
BUILDING RENTALS	NICHOLS HALL	100.00
MISCELLANEOUS	FAX CHARGES	2.00
CAMPGROUND RECEIPTS	FEES	30.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	29,191.11
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	4,910.54
Summary Totals:		<u>165,453.98</u>

Check Issue Date(s): 03/19/2006 - 04/07/2006

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
04/06	04/05/2006	33088	220007	ACS GOVERNMENT SYSTEMS INC	002-20200	602.74
04/06	04/05/2006	33089	5007	ASSURANT EMPLOYEE BENEFITS	002-20200	594.69
04/06	04/05/2006	33090	20004	BURGHER OFFICE EQUIPMENT	002-20200	37.28
04/06	04/05/2006	33091	30014	CALVARY CEMETERY ASSOCIATION	002-20200	1,250.00
04/06	04/05/2006	33092	4008	CARLA LEIKAS	002-20200	100.00
04/06	04/05/2006	33093	30017	CARQUEST (MOUNTAIN IRON)	002-20200	280.26
04/06	04/05/2006	33094	30001	CHRISTENSEN PARTS SERVICE INC	002-20200	176.56
04/06	04/05/2006	33095	30005	CLERK OF CONCILIATION COURT	002-20200	5.00
04/06	04/05/2006	33096	30052	COLUMBIA HOUSE-CUSTOMER SERVC	002-20200	19.41
04/06	04/05/2006	33097	230021	CRAIG J WAINIO	002-20200	60.41
04/06	04/05/2006	33098	30059	CVAR, THOMAS	002-20200	444.33
04/06	04/05/2006	33099	60026	FASTENAL COMPANY	002-20200	68.38
04/06	04/05/2006	33100	60006	FISHER PRINTING	002-20200	303.53
04/06	04/05/2006	33101	70008	GOODIN COMPANY	002-20200	489.80
04/06	04/05/2006	33102	70029	GUARDIAN PEST CONTROL INC	002-20200	59.64
04/06	04/05/2006	33103	230009	H W WILSON COMPANY	002-20200	236.00
04/06	04/05/2006	33104	80022	HAWKINS INC	002-20200	400.29
04/06	04/05/2006	33105	80002	HILLYARD	002-20200	2,007.80
04/06	04/05/2006	33106	80010	HOMETOWN ELECTRIC	002-20200	543.54
04/06	04/05/2006	33107	90014	IKON OFFICE SOLUTIONS	002-20200	251.65
04/06	04/05/2006	33108	90007	INDUSTRIAL LUBRICANT COMPANY	002-20200	984.24
04/06	04/05/2006	33109	90002	INGRAM BOOK COMPANY	002-20200	104.00
04/06	04/05/2006	33110	90006	IRON TRAIL MOTORS	002-20200	359.10
04/06	04/05/2006	33111	120002	LAWSON PRODUCTS INC	002-20200	956.18
04/06	04/05/2006	33112	120003	LEAGUE OF MINNESOTA CITIES	002-20200	100.00
04/06	04/05/2006	33113	4009	LEE ANDERSON	002-20200	100.00
04/06	04/05/2006	33114	120039	LEEF SERVICES	002-20200	55.78
04/06	04/05/2006	33115	120035	LENCI ENTERPRISES INC	002-20200	19,085.95
04/06	04/05/2006	33116	120004	LITERARY GUILD	002-20200	80.50
04/06	04/05/2006	33117	130041	MESABI BITUMINOUS	002-20200	305.77
04/06	04/05/2006	33118	130006	MESABI HUMANE SOCIETY	002-20200	1,000.00
04/06	04/05/2006	33119	130026	MESABI SIGN COMPANY	002-20200	17.89
04/06	04/05/2006	33120	130096	MICROMARKETING ASSOCIATES	002-20200	14.55
04/06	04/05/2006	33121	130008	MINNESOTA MUNICIPAL UTILITIES	002-20200	3,527.64
04/06	04/05/2006	33122	130009	MINNESOTA POWER	002-20200	53,822.51
04/06	04/05/2006	33123	130059	MINNESOTA POWER	002-20200	2,479.37
04/06	04/05/2006	33124	130049	MINNESOTA STATE TREASURER	002-20200	804.40
04/06	04/05/2006	33125	130013	MOUNTAIN IRON FIREMEN'S RELIEF	002-20200	2,700.00
04/06	04/05/2006	33126	130037	M-R SIGN	002-20200	201.57
04/06	04/05/2006	33127	140013	NATIONAL WATERWORKS	002-20200	217.90
04/06	04/05/2006	33128	160003	PERPICH TV & MUSIC INC	002-20200	26.61
04/06	04/05/2006	33129	160030	PRECISION MACHINE	002-20200	340.00
04/06	04/05/2006	33130	180004	RANGE COOPERATIVES	002-20200	14.38
04/06	04/05/2006	33131	180001	RANGE PAPER	002-20200	41.98
04/06	04/05/2006	33132	190003	SARANEN AUTO	002-20200	44.09
04/06	04/05/2006	33133	4010	SARRAH MATTILA	002-20200	100.00
04/06	04/05/2006	33134	190045	SERVICE SOLUTIONS	002-20200	315.51
04/06	04/05/2006	33135	190004	SKUBIC BROS INC	002-20200	221.93
04/06	04/05/2006	33136	190016	ST LOUIS COUNTY AUDITOR	002-20200	101.56
04/06	04/05/2006	33137	5003	STEVE NORVITCH	002-20200	156.05
04/06	04/05/2006	33138	200003	TACONITE TIRE SERVICE	002-20200	145.48
04/06	04/05/2006	33139	200031	TASTE OF HOME BOOKS	002-20200	47.96
04/06	04/05/2006	33140	200039	THOMAS BOUREGY & COMPANY INC	002-20200	414.50
04/06	04/05/2006	33141	200028	TRI CITIES BIOSOLIDS DISPOSAL	002-20200	4,810.00
04/06	04/05/2006	33142	200009	TROPHY SHOP	002-20200	47.45
04/06	04/05/2006	33143	200010	TUCK N ROLL UPHOLSTERY	002-20200	250.00
04/06	04/05/2006	33144	210030	U S BANK TRUST SERVICES	002-20200	215.63

Check Issue Date(s): 03/19/2006 - 04/07/2006

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
04/06	04/05/2006	33145	210020	USI INC	002-20200	142.54
04/06	04/05/2006	33146	220025	VERIZON WIRELESS, BELLEVUE	002-20200	37.61
04/06	04/05/2006	33147	220004	VIRGINIA DEPARTMENT OF PUBLIC	002-20200	30,026.33
04/06	04/05/2006	33148	220026	VIRGINIA HOME CENTER	002-20200	151.91
04/06	04/05/2006	33149	230030	WATER CANNON INC	002-20200	2,696.00
04/06	04/05/2006	33150	230028	WISCONSIN ENERGY CONSERVATION	002-20200	152.45
04/06	04/05/2006	33151	230007	WORLD MEDIA EXPRESS	002-20200	117.77
04/06	04/05/2006	33152	240001	XEROX CORPORATION	002-20200	636.23
04/06	04/05/2006	33153	250004	Y S I INCORPORATED	002-20200	691.88
Totals:						136,794.51
Payroll-PP Ending 3/24/06						82,746.50
Sales Tax-Electronic Trans. 3/20/06						9,126.76
TOTAL EXPENDITURES						<u>\$228,667.77</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 09-06

SETTING HEARING ON VACATION

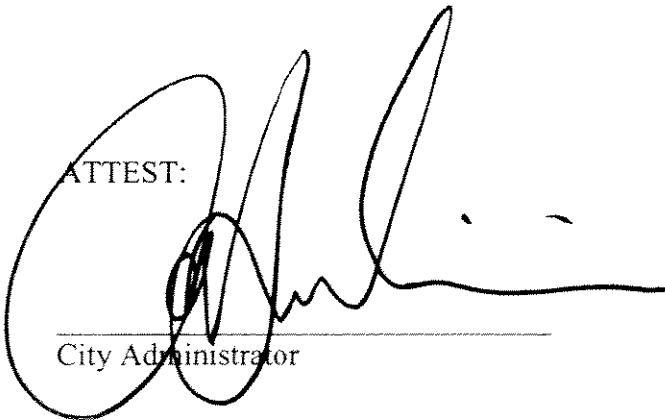
WHEREAS, a petition of property owners abutting North Street in the Parkville Second Addition; North Street in Parkville Third Addition; Third Avenue in Parkville Third Addition; and Center Street from the center line of Second Avenue to the center line of Third Avenue in Parkville Third Addition all in the City of Mountain Iron was received by the City Administrator on the 24th day of March, 2006, requesting that the City Council vacate all of North Street in the Parkville Second Addition; all of North Street in Parkville Third Addition; all of Third Avenue in Parkville Third Addition; and Center Street from the center line of Second Avenue to the center line of Third Avenue in Parkville Third Addition all in the City of Mountain Iron St Louis County, Minnesota.

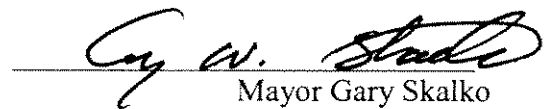
NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA:

The City Council will consider the vacation of such street, alley or road at a public hearing to be held on such proposed vacation on the 1st day of May, 2006, before the City Council in the Mountain Iron Room of the Community Center at 6:30 p.m., or shortly thereafter, and the City Administrator shall give published and posted notice as required by law.

DULY ADOPTED BY THE CITY COUNCIL THIS 3rd DAY OF APRIL, 2006.

ATTEST:



City Administrator

Mayor Gary Skalko

NOTICE OF HEARING

NOTICE OF HEARING ON VACATION OF ALL OF NORTH STREET IN THE PARKVILLE SECOND ADDITION; ALL OF NORTH STREET IN PARKVILLE THIRD ADDITION; ALL OF THIRD AVENUE IN PARKVILLE THIRD ADDITION; AND CENTER STREET FROM SECOND AVENUE TO THIRD AVENUE IN PARKVILLE THIRD ADDITION ALL IN THE CITY OF MOUNTAIN IRON, ST LOUIS COUNTY, MINNESOTA.

NOTICE IS HEREBY GIVEN that a hearing will be held before the City Council of Mountain Iron in the Mountain Iron Room of the Community Center on the 1st day of May, 2006, at 6:30 p.m., or shortly thereafter, to hear all persons present upon proposed vacation of all of North Street in the Parkville Second Addition; all of North Street in Parkville Third Addition; all of Third Avenue in Parkville Third Addition; and Center Street from Second Avenue to Third Avenue in Parkville Third Addition all in the City of Mountain Iron, St Louis County, Minnesota.

Dated this 3rd day of April, 2006.

By order of the City Council
/s/ Craig J. Wainio
City Administrator
www.mtniron.com

MINUTES
MOUNTAIN IRON CITY COUNCIL
BOARD OF REVIEW
APRIL 11, 2006

Mayor Skalko called the meeting to order at 6:32 p.m. with the following members present: Joe Prebeg, Jr., Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Absent member included: Allen Nelson. Also present were: Jill M. Forseen, Municipal Services Secretary; Cindy Okstad, Commercial Appraiser for Saint Louis County; and John Jokinen, Residential Appraiser for Saint Louis County.

Alan Stanaway, 5152 Spirit Lake Road, Mountain Iron, Parcel Code 175-0071-02550, said that he had no questions or complaints about the taxes, but he was interested in finding out how the market value was calculated. His valuation for 2006 was \$174,100. Mr. Jokinen reviewed the assessment standards and also advised him of the sales in the area. Mr. Stanaway's questions were answered and no further action was taken.

Ron Kutsi, Old Highway 169, Kinross, Parcel Codes 175-0071-01980 and 175-0071-01985, questioned why the land value was so high because of the parcel sizes. He stated that he owns parcel 01985, which only has 0.66 acres with a valuation of \$1,100 and parcel 01980 is owned by several relatives and listed as undivided interest with acreage at 3.96 acres and a valuation of \$10,800.

It was moved by Roskoski and seconded by Skalko to change the land value on Parcel 175-0071-01980 to \$6,300 and no change to Parcel 175-0071-01985. The motion carried.

Wayne Pohia, 8754 Unity Drive, Mountain Iron, Parcel Code 175-0070-01487, a letter was received and he questioned his valuation at \$242,700 stating that he could not find any residential valuation higher than his in Mountain Iron.

It was moved by Skalko and supported by Prebeg to have Parcel 175-0070-01487 re-evaluated by the County Assessor and have the Assessor speak directly with Mr. Pohia and make a recommendation to the Board. The motion carried.

Susan Berglund, 8749 Mud Lake Road, Mountain Iron, Parcel Code 175-0070-01510, a letter was received and she questioned the valuation listed at \$169,500 being too high.

It was moved by Skalko and supported by Prebeg to direct the County Assessor to phone Ms. Berglund regarding the valuation of Parcel 175-0070-01510 and explain how the valuation is calculated. The motion carried.

It was moved by Skalko and supported by Prebeg to make no change to the valuation on Susan Berglund's property on Parcel Code 175-0070-01510. The motion carried.

Minutes – City Council
Board of Review
April 11, 2006
Page 2

Harold and Joan McGregor, 4860 Butler Road, Mountain Iron, Parcel Code 175-0071-05023 and 175-0071-05025, a letter was received and they requested that their valuation be placed at \$151,200 for parcel 05023.

It was moved by Skalko and supported by Roskoski to have parcel 175-0071-05023 and 175-0071-05025 re-evaluated by the St. Louis County Assessor and request that the Assessor to review the interior of the house and speak directly with Mr. McGregor. The motion carried.

Charles Bianchi, Mud Lake Road, Mountain Iron, Parcel Code 175-0071-01640, questioned the increase in the market value of his property.

It was moved by Skalko and supported by Prebeg to direct the Saint Louis County Assessor to notify Mr. Bianchi, by letter, regarding Parcel Code 175-0071-01640 and make no change to the valuation. The motion carried.

At 7:30 p.m., it was moved by Skalko and supported by Prebeg to recess the Board of Review meeting until Monday, April 17, 2006 at 6:30 p.m. The motion carried.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

CALVARY CEMETERY ASSOCIATION

William J. Buria, Secretary

P. O. Box 188

Virginia, Minnesota 55792

April 10, 2006

Mtn. Iron, City Council
Mtn. Iron, MN. 55768

Dear Craig,

Renny Renzaglia advised me to drop you a line and request a place on the agenda for the April 17th meeting. I wasn't sure when our request was being brought up and it was important we be there to justify our request and answer any questions by the Council.

Thank You,

Bill Buria Secretary/Treasure.

Calvary Cemetery Ass'n

COUNCIL LETTER 041706-IVA1

MAYOR SKALKO

2006 STREET PROJECTS

DATE: April 12, 2006

FROM: Councilor Roskoski

Craig J. Wainio
City Administrator

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

Develop a list of street projects to be completed in 2006.

COUNCIL LETTER 041706-IVC

PUBLIC UTILITIES

UAB RECOMMENDATIONS

DATE: April 12, 2006

FROM: Utility Advisory Board

Don Kleinschmidt
Director of Public Works

Craig J. Wainio
City Administrator

The Utility Advisory Board is making the following recommendations to the Mountain Iron City Council for adoption.

Large Trash Pickup

The Utility Advisory Board is recommending a large trash pick up be conducted, the same as last year, during June 6th to June 16th 2006. The attached pick up sheet outlines the guidelines required for the service.

New Electrical Service Installation Fee

The Utility Advisory Board is recommending the following service fee as follows:

Starting May 1st 2006 an electrical service fee will be charged to new electrical installations on the Mountain Iron electric service. The new fee will be actual cost of installation, for labor and materials, less \$200.00 for single phase services and actual cost less \$500.00 for three phase installations.

This fee is to offset the rising cost of material associated with a new electrical service installation.

Sewer Rate Increase

The Utility Advisory Board is recommending, as City Council directive, adoption of the following sewer rate increase. The rate will increase the residential sewer rate commodity charge to \$3.00 per 1000 gallons.

The attached information sheet was presented at the last UAB meeting.

CITY OF MOUNTAIN IRON

8586 ENTERPRISE DRIVE SOUTH
MOUNTAIN IRON MN 55768
www.mtniron.com

CITY HALL 748-7570 PUBLIC UTILITIES EMERGENCY NUMBER 1-888-223-9883
OFFICE HOURS: 7:30 A.M. - 4:00 P.M. MONDAY - FRIDAY

MOUNTAIN IRON RESIDENTIAL GARBAGE CUSTOMERS

The City of Mountain Iron will be offering a *large trash pickup* starting Tuesday, June 6th, 2006 through Friday, June 16th, 2006. **DUE TO AN INCREASE IN LANDFILL FEES, THE CITY WILL CHARGE A \$5.00 FEE PER CUSTOMER. THIS FEE IS TO BE PAID WHEN RETURNING THE ENCLOSED COMPLETED FORM. THERE WILL BE NO PICKUP OF ITEMS UNLESS THE FEE IS PAID PRIOR TO JUNE 2ND, 2006.** This service is intended for Mountain Iron residents only. **DO NOT ALLOW LARGE TRASH FROM OUTSIDE THE MOUNTAIN IRON AREA ONTO YOUR PROPERTY.** NO domestic garbage is allowed.

To receive the *large trash pickup*, the form below **must be signed and returned along with the fee** to the City Hall or placed in a drop box located at Corner Spur, Short Stop, Senior Center or in front of the City Hall by **Friday, June 2nd, 2006.** Customers **must** be current on their entire utility bill as of JUNE 6th, 2006, to be eligible for the large trash pickup. **ONE FORM PER CUSTOMER, EACH CUSTOMER WILL BE PICKED UP ONE TIME ONLY.**

The following is the schedule, which will be used for each area:

TUESDAY, JUNE 6th, THROUGH FRIDAY, JUNE 9th
DOWN TOWN AREA/SOUTH GROVE/MUD LAKE ROAD
UNITY DRIVE/WOLF AREA/COUNTY ROAD 7
HIGHWAY 101/RURAL AREAS/KINROSS/SPIRIT LAKE AREA

TUESDAY, JUNE 13th, THROUGH FRIDAY, JUNE 16th
PARKVILLE AREA /STONEY BROOK/LAMBERT ADDITION
WEST VIRGINIA/WESTGATE/ANN'S ACRES/SOUTHERN DRIVE AREA

The *large trash pickup* will be limited to the following items :

Auto/truck highway tires up to 24.5"(no tractor tires, limited to 4/household), clothing, appliances (refrigerators/freezers **must** have doors removed), scrap metals, household goods, furniture, old bikes, etc.
Any motors such as lawn mowers, weed eaters, etc. must be drained of oil and gas.

These items **must** be curbside and separated into individual **neat** piles and ready for pickup by **7:00 a.m.** on the **first day** listed for each area.

The following materials **will not** be picked up: **No Flammable containers including Propane Tanks. No Box Springs or Mattresses.**
Yard Waste - must be brought to the yard waste site across from the City Garage - watch for new site opening soon.
Demolition Material (old buildings, boards, cement blocks, etc.)
Hazardous Waste Material (filled paint cans, etc.) - Call the St. Louis County Solid Waste Dept. 749-9703

Name & Address (if different than label on reverse side): _____

I understand that any remaining trash is the homeowner's responsibility to promptly remove and dispose of properly.
I understand that **NO** flammable containers, household garbage or recyclable materials will be accepted in this trash pickup.
I HAVE NOT ALLOWED large trash from outside the Mountain Iron garbage service area to be deposited on my property for pickup.

SIGNATURE _____

BRIEF DESCRIPTION OF ITEMS TO BE PICKED UP:

CITY USE ONLY : DRIVER'S INITIALS

DATE PICKUP COMPLETE _____
REASON TRASH WAS LEFT _____
FEE PAID _____

Date: March 20, 2006

To: The Utility Advisory Board

From Don Kleinschmidt, Director of Public Works

Re: Sewer Rate Increase

Sewer Rate increase

The Utility Advisory Board recommended a sewer rate increase to the Mountain Iron City Council on March 17th 2005. On March 21st, 2005 the City Council adopted a rate increase that was considerably lower than the UAB recommendation. The following is the rate requested and the rate that was adopted at that time (a copy is attached).

Proposed Rate:

Residential - \$10.00 per/month service charge and \$3.00 /1000 gallons used

Commercial - \$20.00 per/month service charge and \$3.00/1000 gallons used

Adopted Rate:

Residential - \$10.00 per/month service charge and \$1.00 /1000 gallons used

Commercial - \$20.00 per/month service charge and \$3.00/1000 gallons used

This new sewer rate has fallen short of coming close to produce sufficient revenue to offset the expenditures.

2005 Revenues \$ 269,191.65

2005 Expenditures \$ 390,650.22

2005 Loss **(\$123,030.69)**

Using the total water usage of 69,000,000 gallons and a total rate increase of \$123,030.69 the follow would be needed to make the fund break even.

\$ 123,030.69 divided by 69,000,000 gallons for an increase of \$ 00.00179 per gallon. In simple terms less than two tenths of one cent per gallon increase.

SEWER RATE CALCULATIONS

If we assume that there would be no change to the commercial rate, since the City Council approved that part of our previously recommended rate increase, all shortcomings would have to come from the residential rate. The total shortfall is \$123,000 and, of the total water usage of 69,000,000 gallons, only 54,000,000 is used by the residential customers. \$123,000 divided by 54,000,000 is \$2.28/1000 gallons or .00228 cents per gallon.

The 2005 rate increase was effective somewhere prior to mid 2005, so the shortfall does not reflect an accurate value. Our original proposal to increase the usage rate to \$3.00 was based on good numbers and should still apply.

**MOUNTAIN IRON UTILITY ADVISORY BOARD
MINUTES OF THE APRIL 4TH, 2006 MEETING**

Call to Order:

The meeting was called to order at 4:00 pm by Chairperson Renzaglia. Members present: Renzaglia, Tuomela, Peterson, Matanich. Absent: Williams. Also City staff present: Don Kleinschmidt and City Council Liaison Joe Prebeg.

Approve Minutes:

It was moved by Tuomela and seconded by Peterson to accept the minutes of the February 28th, 2006 meeting. Ayes: All Chairperson Renzaglia declared the motion approved.

Business:

New Electrical Service Installation Fee

Discussion occurred on the implementation of a service fee or charge for new electrical service connections. The fee would offset the rising cost of materials and labor for new installations.

It was moved by Matanich and supported by Peterson to recommend to the City Council adoption of the following fee:

Starting May 1st, 2006 an electrical service fee will be charged to new electrical installations. The new fee is as follows: The actual cost of installation, for labor and materials, less \$200.00 for all single phase services and the actual cost less \$500.00 for three phase services. Ayes: All Chairperson Renzaglia declared the motion approved.

Sewer Rate Increase

Discussion occurred on the increase in sewer rates for the Wastewater Treatment Enterprise Fund. This increase is needed due to the projected deficit in 2005 of \$123,000.00.

It was moved by Renzaglia and supported by Matanich that the Mountain Iron City Council increases the residential sewer rate commodity charge to \$3.00 per 1000 gallons. Ayes: All Chairperson Renzaglia declared the motion approved.

Lake Country Power Acquisition

Discussion occurred on the Lake Country power service territory acquisition. A special meeting with LCP is scheduled for Wednesday April 5th at 9:30 am in the Mountain Iron City Hall.

Street Lighting Plan

Discussion occurred on the development of a street lighting plan. A special meeting to review the plan is scheduled for Tuesday, April 25th at 1:00 pm at the Mountain Iron City Hall.

Large Trash Pickup

Discussion occurred on offering a large trash pick up for 2006.

It was moved by Tuomela and supported by Peterson to recommend to the Mountain Iron City Council that a large trash pickup be held from June 5th to the 16th, 2006 with the same fees and format as last year. Ayes: All Chairman Renzaglia declared the motion adopted.

Other

Discussion occurred on the operation of the yard waste site in which many positive comments have been received from the public.

The next special meeting is scheduled for Tuesday April 25th2006.

Adjourn

With no further business Chairman Renzaglia adjourned the meeting at 5:35 pm.

Submitted by: Don Kleinschmidt
Director of Public Works
City of Mountain Iron

COUNCIL LETTER 041706-IVC4

PUBLIC UTILITIES

TRANSFORMER QUOTES

DATE: April 12, 2006
FROM: Don Kleinschmidt
Director of Public Works

Craig J. Wainio
City Administrator

Attached are the following quotes for three transformers.

Staff recommends purchase of one (1) new 75 KVA transformer and pad from Border States at their low quoted price of \$5082.79 and purchase of one (1) new 150 KVA transformer and pad from Border States at their low quoted price of \$5,712.90 and one (1) new 75 KVA transformer with 480Y/277 voltage from Border States at their low quoted price of \$5206.45 for a total purchase of \$16,002.14. This purchase will be funded from the Electric Utility Fund.

Two of these transformers will be put in service immediately and one will be inventoried.

QUOTE TABULATION FOR
ELECTRIC TRANSFORMER

TUESDAY, MARCH 28, 2006

ONE (1) 75 KVA WITH 480Y/277 VOLTAGE

	VENDOR	TOTAL PRICE
1)	WESCO	none
2)	RESCO	\$5931.00 PAUWELS \$5526.00 ERMCO
3)	BORDER STATES	\$5206.45
4)	T & R ELECTRIC	NONE
5)	JERRY'S ELECTRIC	\$3040.00 (USED)

**PAD MOUNT TRANSFORMERS
QUOTE TABULATION
March 28, 2006**

Furnish one (1) new 75 KVA three phase pad mount transformer and one (1) new 150 KVA three phase pad mount transformer and box pads to match.

	<u>VENDOR</u>	<u>BOX PAD</u>	<u>75 KVA TRANSFORMER</u>	<u>150 KVA TRANSFORMER</u>
1.	Resco		Pauwels \$5411.00 GE \$5852.00 Ermco \$5462.00	\$6407.00 \$6884.00 \$6273.00
2.	T & R Electric	none		
3.	Wesco		\$5069.00	\$5881.00
4.	Border States		\$5082.79	\$5712.90
5.	Jerry's Electric		Used \$3040.00	\$3795.00



Protecting, maintaining and improving the health of all Minnesotans

April 4, 2006

PWSID: 1690035

Mountain Iron City Council
c/o City Administrator
Mountain Iron City Hall
8586 Enterprise Drive South
Mountain Iron, Minnesota 55768

Dear Council Members:

All community water systems must distribute an annual Drinking Water Report, officially known as a Consumer Confidence Report, to their customers. The deadline for the completion and delivery of the report is July 1. The basic information required in the report includes the source of the system's drinking water, any monitoring results that showed detections for the previous calendar year including violations if any, compliance information, and standard language required by the U. S. Environmental Protection Agency. (Note: If information you have compiled differs from what is indicated on the report sent to your water superintendent, please call 1-800-818-9318.)

We have sent a packet to your water superintendent that includes a report with most of the required information, and also a Certification of Completion form. **It is your responsibility to ensure that the report is produced and distributed and that the completed certification form, along with a copy of the report, is returned to the Minnesota Department of Health by July 1, 2006.**

While the report sent to your superintendent contains most of the information needed, **it will be necessary to add a name and phone number** for customers with questions or requests for additional information. There may be other places on the report where additional information is required. These areas have been noted with gray-shaded areas.

It may be in your best interest to include even more information, beyond what is required by the rule, in the report. Keep in mind that all the information in the Minnesota Department of Health (MDH) report must be included in a reformatted report. Additional information may be added, but **everything from the MDH report must be included**. This could include a description of your treatment processes and any upgrades that are planned for your water system. The report requires detection information only on primary contaminants, but it may be wise to address contaminants that are causing aesthetic problems with your water. If you have detectable levels of secondary contaminants, your customers may have a greater concern about them than about those that can bring about adverse health effects. Rather than ignore this issue, you may want to address it and point out that the iron, manganese, etc., are not causing any adverse health effects even though they may be making the water look, taste, and/or smell bad.

Also, for systems that serve a population that contains a significant number of people who do not speak English, please consider including one or more of the statements below in the report. (The statement says, "This report contains very important information. Translate or ask someone who understands it.")

Spanish: Información importante. Si no la entiende, haga que alguien se la traduzca ahora.

Hmong: Nov yog ntaub ntawv tseem ceeb. Yog koy tsi to taub, nrhiav neeg pab txhais rau koh kom sai sai.

Distribution:

You have two options in distributing the report:

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- You can distribute a copy of the report to all of your customers by mail or other means. Efforts must be made to get the reports to actual customers rather than to just the billing customer. One method is to mail the report to all postal patrons within the service area using a "Simplified Address"; check with your post office about this. Other options include publicizing the availability of the report through the media, delivering multiple copies for distribution by single-biller customers such as apartment buildings or large private employers, and posting the report on the internet.
- You can also satisfy the distribution requirement by publishing the report in one or more local newspapers serving your service area and inform your customers that the report will not be mailed to them but is available upon request. If you use this option, the **entire** report must be published (not just a summary), and you must send a copy or clipping of the newspaper report, **along with the Certification of Completion form.**

A copy of the completed report must be submitted to the MDH, along with a Certification of Completion form certifying that the information in the report is accurate and that the required distribution to customers was completed. You must also retain a copy of the report for at least three years. **Failure to produce and distribute a report as required--as well as failure to submit the required documentation to MDH by July 1, 2006--may result in enforcement actions, including fines, from the U. S. Environmental Protection Agency and/or the Minnesota Department of Health.**

If you have any questions, please call 1-800-818-9318.

Sincerely,



Richard D. Clark, P.E., Supervisor
Community Public Water Supply Unit
Environmental Health Division
P.O. Box 64975
St. Paul, Minnesota 55164-0975

RDC:kr



Saint Louis County

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

Ross Litman
Sheriff

TO: Mt. Iron City Council and Mayor
FROM: Sgt. Wade Rasch
RE: March 2006 Activity Report
DATE: April 11, 2006

The St. Louis County Sheriff's Office in Mt. Iron responded to the following calls for service during the month of March. Deputies also performed 60 traffic stops while issuing 21 citations for traffic or criminal offenses and 46 traffic warnings.

Calls For Service:

- 23- On views- Officer initiated contacts checking on persons, vehicles, properties
 - 18- Disturbances (Verbal arguments/Domestic/Threats)
 - 16- Public Assists (Veh. Unlocks, Loud Music, Animal Complaints, etc.)
 - 15- Assists to Virginia Sheriff's/State Patrol
 - 11- Custodial Arrests
 - 10- Suspicious/Unwanted Person
 - 9- Medical Assists
 - 9-Theft/Shoplift
 - 8- Assists to Virginia Police Department
 - 7- Motor Vehicle Crashes
 - 7- Alarm Calls
 - 6- Welfare Checks Upon Persons/Suicide Threats
 - 3- Damage to Property
 - 2- School Bus Stop Arm Violation
 - 1- Assault
- 13- Other Miscellaneous Calls (Ex. Child Custody, Civil Disputes, ATLS)

Reply to:

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

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

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

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

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

An Equal Opportunity Employer



Saint Louis County

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

Ross Litman
Sheriff

TO: Mt. Iron Mayor and City Council
FROM: Sgt. Wade Rasch
RE: Sheriff Office Presence at Council Meetings
DATE: April 11, 2006

Dear Sirs-

At our last meeting there was discussion about my decision to have a St. Louis County Deputy at all City Council Meetings. I would like to provide some explanation with this letter.

I currently believe it is prudent to have a Deputy at all meetings. Though I have only been part of your meetings for seven months now, I have witnessed many of the topics discussed in city government. These issues can be very personal. Dealing with a persons' employment, home, taxes, quality of life, and basic government services. Consequently, personal issues have the potential for tempers and emotions to run high. I see no reason to wait for a situation to occur before action is taken.

The cost of this service was questioned. This cost is minimal and would be absorbed by the current budget I operate under. I am not asking for additional funds with which to provide this service.

Like all matters, I will evaluate its necessity on an ongoing basis.
Please feel free to call me with any questions.

Sgt. Wade Rasch
St. Louis County Sheriff's Office- Mt. Iron
218-748-7578

Reply to:

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- Administrative Offices**
100 N 5th Ave. W, Rm 103
P.O. Box 16187 Duluth, MN 55816
Phone: (218) 726-2341
Fax: (218) 726-2171
- County Jail**
4334 Haines Road
Duluth, MN 55811
Phone: (218) 726-2345
Fax: (218) 725-6134
- Emergency Management**
5735 Old Miller Trunk Hwy
Duluth, MN 55811
Phone: (218)
Fax: (218)
- Sheriff's Office**
300 South 5th Avenue
Virginia, MN 55792
Phone: (218) 749-7134
Fax: (218) 749-7192
- Sheriff's Office**
1810 12th Ave. E
Hibbing, MN 55746
Phone: (218) 262-0132
Fax: (218) 262-6334

COUNCIL LETTER 041706-IVF1

COUNCILOR ROSKOSKI

**CITY ATTORNEY
MEETING PROCEDURES**

DATE: April 12, 2006
FROM: Councilor Roskoski
Craig J. Wainio
City Administrator

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

- A.** Our City Attorney will review necessary statutes for we Council Members as to who may put items on the City Council meeting agendas, make presentations, make motions and ultimately vote.
- B.** He will answer the questions-can a Mayor, under our form of government, prevent a Councilor from making a motion on a topic that they put on the agenda?
- C.** Can the Council prevent a "standing committee" from doing its required work by just by-passing it?

COUNCIL LETTER 041706-VIA

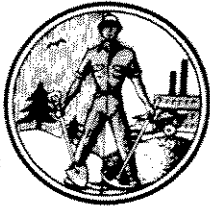
ADMINISTRATION

RESOLUTION NUMBER 10-06

DATE: April 12, 2006
FROM: Craig J. Wainio
City Administrator

Resolution Number 10-06 Authorizes the sale of the former Ann's Acres Water Building property to the adjoining property owners. The property no longer serves a public purpose and therefore its disposal is warranted. In order to place the property on the tax roles, it is recommended that the property be disposed of at minimal cost.

Upon setting a purchase price, it is recommended that the City Council adopt Resolution Number 10-06 Authorizing the Sale of Property.



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 10-06

AUTHORIZING THE SALE OF CERTAIN PROPERTY

WHEREAS, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to convey certain property.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA that the Mayor and City Administrator, upon receipt of payment, execute the deed to convey real property in St. Louis County, Minnesota, described as follows:

Lot 1 Block 1 of ANN'S ACRES' on file at the St. Louis County Recorder's Office, located in the Northwest Quarter of the Southeast Quarter Section 13, Township 58 North, Range 18 West of the Fourth Principal Meridian, City of Mountain Iron, St. Louis County, Minnesota.

Subject, however, to all existing interests, including but not limited to all reservations, rights-of-way and easements of record or otherwise.

DULY ADOPTED BY THE CITY COUNCIL THIS 17th DAY OF APRIL, 2006.

ATTEST:

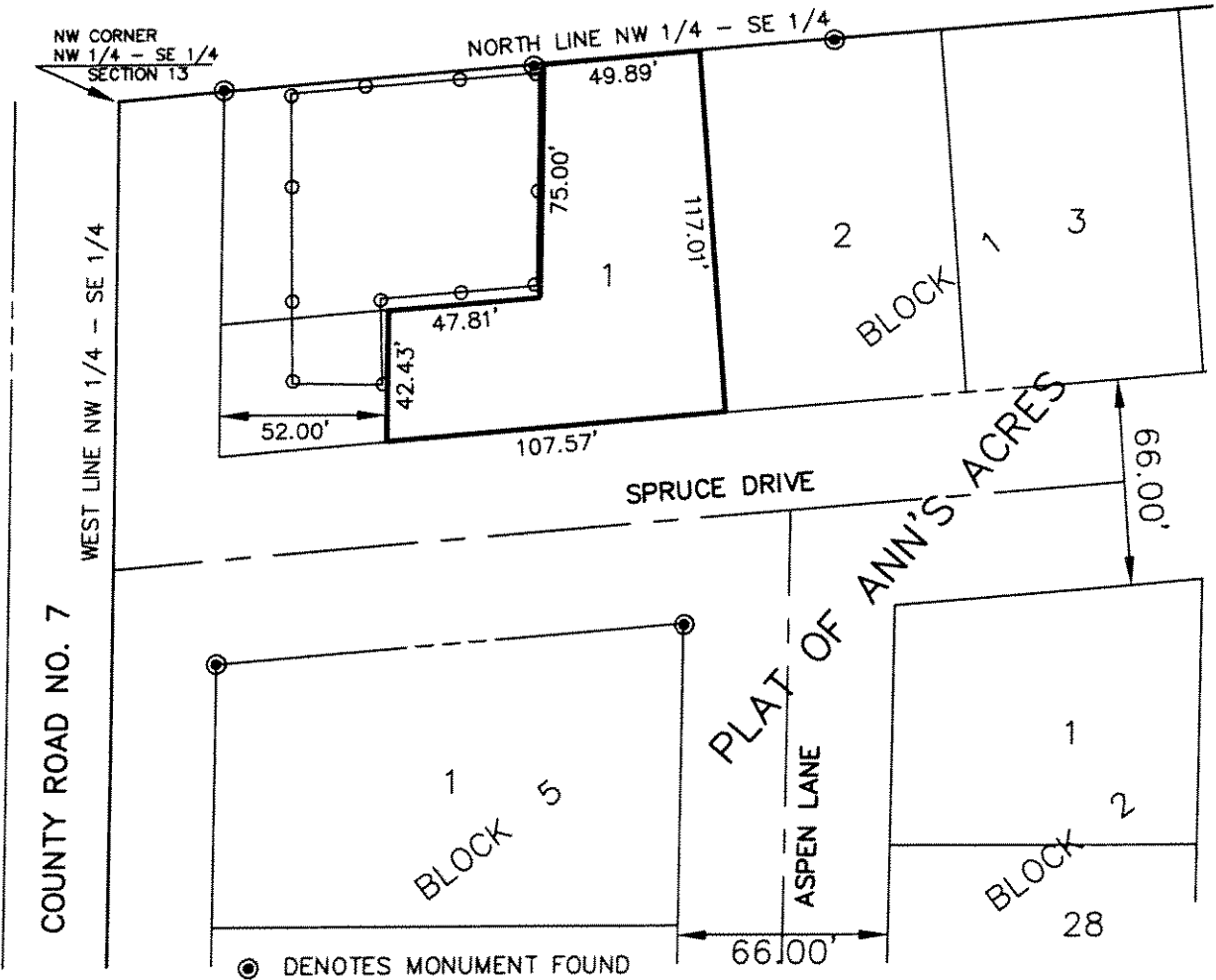
Mayor Gary Skalko

City Administrator

CERTIFICATE OF SURVEY

That part of Lot 1 Block 1 of ANN'S ACRES' on file at the St. Louis County Recorder's Office, located in the Northwest Quarter of the Southeast Quarter Section 13, Township 58 North, Range 18 West of the Fourth Principal Meridian, City of Mountain Iron, St. Louis County, Minnesota described as follows:

All that part of Said Lot 1 Block 1 of ANN'S ACRES except the west 52.00 feet.



I hereby certify that this plan, specification or report was prepared by me or under my supervision and that I am a duly registered LAND SURVEYOR under the laws of the State of MINNESOTA

Rodney Clanniger

Date: 12-2-05 Reg. No. 19792

Benchmark
ENGINEERING, INC.

8878 Main Street Post Office Box 261
Mountain Iron, Minnesota 55768
Phone 218/735-8914

40



**ARROWHEAD REGIONAL
DEVELOPMENT COMMISSION**

Serving the Minnesota counties of: Aitkin • Carlton • Cook • Itasca • Koochiching • Lake • St. Louis

April 7, 2006

Dear Local Elected Official:

The Arrowhead Regional Development Commission (ARDC) and the Northeast Minnesota Obesity Prevention Project (NEMOPP) are seeking resolutions of support for an application to Blue Cross and Blue Shield of Minnesota's PreventionMinnesota program for an Active Community Assessment and Engagement contract. Securing that contract would fund ARDC's and NEMOPP's efforts to assess the current status of "active living" in Northeast Minnesota and to engage the communities in a discussion about active living principles.

"Active living" embraces safe, convenient, and scenic facilities that will enable people to integrate walking or biking into their daily lives. Active living will help more people meet the recommended 30 minutes per day of moderate physical activity that is recommended by the Centers for Disease Control. Currently only 49 percent of Minnesotans are meeting that standard.⁷ Physical inactivity is second to only tobacco use in its contribution to serious health problems. In the U.S., it is responsible for at least 200,000 deaths annually due to illnesses such as heart disease and diabetes.⁸ The Minnesota Department of Health has estimated that \$495 million was spent in the State in 2000 to treat diseases and conditions that could have been avoided through physical activity.⁹

ARDC and NEMOPP have formed a partnership to address physical inactivity and promote active living in the communities of the Arrowhead Region. It is felt that the funding source offered by PreventionMinnesota is an excellent fit to cover the costs of this project. The funding source offers only four contracts for all of Minnesota this year and it is anticipated to be a very competitive process. Please consider providing a resolution of support (sample enclosed) addressed to Andy Hubley at ARDC; this resolution is needed no later than Monday, April 24. If you have questions, please contact either ARDC or NEMOPP at the addresses or phone numbers below or view a project summary at www.ardc.org/projects/activeliving.

Thank you,

Andy Hubley, AICP
Regional Planning Division, ARDC

Julie Myhre, Director
Carlton-Cook-Lake-St. Louis Counties
Community Health Board/NEMOPP

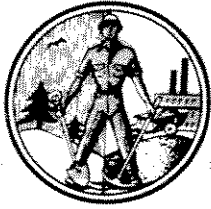
Andy Hubley, AICP
ARDC
221 West First Street
Duluth, MN 55802
1-800-232-0707 (toll free)
218-529-7512 (direct)
ahubley@ardc.org

Julie Myhre
Carlton-Cook-Lake-St. Louis Counties
Community Health Board
404 W. Superior St., Suite 220
Duluth, MN 55802
(218) 733-2860
juliechb@cpinternet.com

⁷ Department of Health and Human Services (2003)

⁸ Department of Health and Human Services (1996)

⁹ Minnesota Department of Health (2002)



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 11-06

SUPPORTING THE PREVENTIONMINNESOTA ACTIVE COMMUNITY ASSESSMENT AND ENGAGEMENT PROPOSAL

WHEREAS, the Arrowhead Regional Development Commission (ARDC) and the Northeast Minnesota Obesity Prevention Project (NEMOPP) are partnering to develop a proposal to submit to Blue Cross Blue Shield of Minnesota's PreventionMinnesota Active Community Assessment and Engagement, and

WHEREAS, the PreventionMinnesota Active Community Assessment and Engagement proposal requests funding to facilitate a community process to develop a clearly defined vision of active living for communities in the counties of Canton, Cook, Lake, and greater St. Louis County, and

WHEREAS, "active living" embraces safe, convenient, and scenic facilities that will enable people to integrate walking or biking into their daily lives. Physical inactivity is second to only tobacco use in its contribution to serious health problems. The Minnesota Department of Health as has estimated that \$495 million was spent in the State in 2000 to treat diseases and conditions that could have been avoided through physical activity, and

WHEREAS, this assessment and engagement process would be an important preliminary step to position communities in the Arrowhead Region to implement active living principles in policy and planning decisions in the future by increasing community interest, awareness, and support for active living.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the City of Mountain Iron supports ARDC and NEMOPP's application to Blue Cross and Blue Shield's PreventionMinnesota Active Community Assessment and Engagement program for \$70,000.00.

DULY ADOPTED BY THE CITY COUNCIL THIS 17th DAY OF APRIL, 2006.

Mayor Gary Skalko

ATTEST:

City Administrator

COUNCIL LETTER 041706-VIC

CITY COUNCIL

LAND EXCHANGE

DATE: April 12, 2006

FROM: City Council

Craig J. Wainio
City Administrator

As requested by the City Council at its last regular meeting, this item is being placed on the agenda.

Dear City Council members,

This letter is in regard to a benefit for Pete Hawkins a resident of Mt. Zion that suffered a stroke in October and just came home 3 wks. ago. The date of the benefit is May 2nd, a Tuesday night. We are having Rigatoni and Meatballs made by Dominic Elioff and having a silent auction. All proceeds from this benefit will go to the Hawkins family to fulfill there medical and financial needs. We are using the Community Center and are asking if you as a council would consider having the \$100 fee.

Thank you for your time and consideration with this matter.

Sincerely,

Nancy Greenwaldt

COUNCIL LETTER 041706-IX

CITY COUNCIL

CLOSED MEETING

DATE: April 12, 2006
FROM: City Council
Craig J. Wainio
City Administrator

The City Council may enter into a Closed Meeting to discuss contract negotiations strategies with AFSCME Local Union #453.

COMMUNICATIONS

APRIL 17, 2006

1. MediaCom, a letter advising the City that they have invested extensively in building a fiber optic network to provide area residents with advanced video and high-speed broadband services.
2. League of Minnesota Cities, forwarding the April 7, 2005, Friday Fax.
3. Minnesota Association of Small Cities, forwarding the April 3, 2006 updates.
4. Minnesota Pollution Control, a notice advising of an open house and informational meeting on April 20, 2006 in Virginia, for U. S. Minntac's preliminary proposal to discharge wastewater from its tailings basin in Mountain Iron.
5. Coalition of Greater Minnesota Cities, forwarding the April 6, 2006 Brief.
6. League of Minnesota Cities, forwarding the State of the Cities Report for 2006.
7. An Anonymous letter regarding the condition of the Mountain Manor Apartments.



Theresa Sunde
Community Relations Coordinator

April 7, 2006

Dear Mountain Iron Community Official:

Mediacom Communications has invested extensively in building a fiber optic network to provide area residents with advanced video and high-speed broadband services. Mediacom is now pleased to announce the introduction of Mediacom's phone service in your community. The delivery of phone service delivered over the same line as video and high-speed Internet services completes the "triple play" bundle of telecommunications services and provides direct competition to the existing telephone provider.

Mediacom's phone service will provide unlimited local and long distance residential service, including the most popular features, for a flat monthly fee as low as \$29.95 per month. We believe most customers will enjoy the opportunity to save on their total monthly communications bill by choosing Mediacom for voice, video and Internet service. .

Delivering telephone service marks another major achievement in bringing our customers better value and more choice. Mediacom's broadband network continues to provide a platform for new products and services. Please contact me directly at (507) 835-2356 if you have any questions regarding this new product.

Sincerely,

A handwritten signature in cursive script that reads "Theresa Sunde".

Theresa Sunde

Enclosures

Mediacom Communications Corporation
1504 2nd Street SE • Waseca, MN 56093 • 507-835-2356 • Fax 507-835-4567



-FridayFax-

A weekly legislative update from the League of Minnesota Cities

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Joint powers liability bill approved by Senate panel

On Tuesday, the Senate Judiciary Committee approved SF 2648, Sen. Ann Rest's (DFL-New Hope) bill clarifying joint powers liability, which is supported by the League of Minnesota Cities the Association of Minnesota Counties, the Minnesota School Boards Association and the Minnesota Association of Townships. Tuesday was the second committee deadline, the date by which bills must be approved by all policy committees in both the House and the Senate. With the panel's approval, the bill has survived and will now go to the Senate floor.

The bill clarifies the application of the state tort caps to joint powers arrangements. It clarifies that single tort caps apply as if a joint powers entity or arrangement is a separate government entity, regardless of the number of participating local units of government. The legislation was introduced in response to the U.S. Eighth Circuit Court of Appeals decision involving a joint swimming pool operation between the city of Crookston and the Crookston School district.

In the Crookston case, a maintenance worker was injured in a boiler mishap at the pool. Although the school district had assumed responsibility for any mishaps under the joint powers arrangement and even though a jury found the city not responsible of the accident, the Court of Appeals found that the school and the city were each liable up to the state tort caps of \$300,000 per individual and \$1 million per event, simply because of the joint operation.

The House Companion bill, HF 3079 authored by Rep Ron Abrams (R-Minnetonka) has been approved by the House Local Government

Committee and the House Civil Law and Elections Committee and is now on the House floor.

The bill has been strongly opposed by the Minnesota Trial Lawyers Association. They contend that the legislation is unneeded and that units of government will use the clarification to avoid or minimize damage awards to injured parties.

We expect House and Senate floor action after the spring recess. We will need city assistance with those floor votes. Watch for future action alerts.

Questions? Contact Gary Carlson 651-281-1255 or by email at gcarlson@lmnc.org.

House passes eminent domain restrictions

Last night, the House passed a bill restricting local governments' use of eminent domain. The bill, HF2846/SF2750*, sponsored by Rep. Jeff Johnson (R-Plymouth), prohibits the use of eminent domain for economic development and severely limits its use for redevelopment purposes. The bill also includes number of provisions that will add substantial cost to both development projects and traditional public use projects.

The bill passed the House on a 115-17 vote.

Legislators offered several amendments to the bill, including language that provides transition rules for certain local projects that are already underway. That amendment, offered by Rep. Ron Abrams (R-Minnetonka) and supported by Rep. Ann Lenczewski (DFL-Bloomington), was adopted. However, an attempt by Rep.

For more information on city legislative issues, contact any member of the League of Minnesota Cities Intergovernmental Relations team.
651.281.1200 or 800.925.1122



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Barb Goodwin (DFL-Columbia Heights) and Rep. Dan Severson (R-Sauk Rapids) to grandfather in local projects in Columbia Heights and Sauk Rapids that were not covered by the Abrams amendment failed to pass.

An amendment that requires condemnation if a city provides municipal mixed solid waste collection or limits the number of private haulers was offered by Rep. Paul Thissen (DFL-Minneapolis). Rep. Ray Vandevener (R-Forest Lake) also offered an amendment that limits the ability of cities and counties to regulate contiguous nonconforming lots that are in common ownership. The House adopted both provisions on a voice vote.

Rep. Phil Krinkie (R-Lino Lakes) attempted to amend the bill with a proposed constitutional amendment to prohibit the use of eminent domain for economic development. The Krinkie amendment failed on a 58-76 vote. Another amendment, sponsored by Rep. Joe Mullery (DFL-Minneapolis), would have sunset the changes in the bill as of July 1, 2008 and established a blue-ribbon task force on eminent domain to study the use of eminent domain and make recommendations for legislative action. The Mullery amendment failed on a voice vote. A more detailed account of the debate on amendments will be published in next week's *Cities Bulletin*.

Several legislators warned that the standards in the House bill would make it extremely difficult for local governments to improve blighted neighborhoods and clean-up polluted land. Others focused on the increased cost to taxpayers for public projects, including roads and other traditional public uses.

The bill will now go back to the Senate for concurrence. We expect the Senate to refuse to concur with the House language, at which time a 10-member conference committee will be appointed to iron out the differences between the two bills.

Questions? Contact Laura Harris at 651.281.1260 or lharris@lmnc.org.

Attorney general, House counsel weigh in on MVST question

The legislative debate about the constitutional amendment passed by the 2005 legislature that would phase in dedication of one hundred percent of the motor vehicle sales tax (MVST) for transportation became more complex this week as legal opinions about the legislature's authority to change the language emerged.

The opinions, which came from the office of attorney general (AG) Mike Hatch and well respected House researcher Joel Michael, were made public just hours before three related bills were heard in the House Transportation Finance Committee. The AG and Michael offered different opinions about the authority of the legislature to make changes to a ballot question and constitutional language proposed by the 2005 Legislature.

A number of stakeholders, including legislators, have expressed frustration at the wording in the amendment, which was a piece of the omnibus transportation bill vetoed by the governor in 2005. The amendment survived because the governor does not have the authority to veto proposed constitutional amendments put forth by the legislature. The language as passed provides that "no less than" 40 percent of the MVST proceeds will be



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dedicated to transit and “no more than” 60 percent to roads. Those who want to limit transit investments worry the legislature can-- and will--use a majority of the dollars for transit. The League has taken the position that this language is less than perfect and should be clarified to insure an equitable distribution of the funds to roads and transit.

Groups have offered competing solutions to resolve the ambiguity in the language. Minnesotans for Better Roads and Transit (MBRT), a coalition formed to support the 2005 constitutional amendment, supports passage of a bill that would change the ballot question to a simpler, more direct question and would clarify in state statute that 60 percent of the money would be dedicated to roads and 40 percent to transit. The initiative, HF 4068 (Abrams, R-Minnetonka), would also require that the MVST amendment be placed first among constitutional amendments on the November ballot.

The Coalition of Greater Minnesota Cities is seeking to change the language in the constitutional amendment to guarantee road funding by explicitly dedicating 60 percent of MVST proceeds to roads and 40 percent to transit in the constitutional language. One bill that would accomplish this change already passed easily out of the Senate Transportation Budget Division. The bill, SF 2444 (Skoe, DFL-Clearbrook), is in the form of a joint legislative resolution. Resolutions do not require the governor’s signature. The companion to the Skoe bill, HF 2915 (Gunther, R-Fairmont), along with a similar bill, HF 3048 (Lanning, R-Moorhead), were heard and laid over in the House Transportation Finance Committee on Thursday.

On April 5th, the Attorney General’s office issued an opinion Attorney General’s Opinion at the request of Rep. Mary Liz Holberg (R-Lakeville), Chair of the House Transportation Finance Committee, on the issue of whether or not the Legislature has the legal authority to change the language of a previously passed constitutional amendment. According to the Attorney General’s office, “The Constitution makes no express provision for legislative withdrawal or modification of a proposed amendment after its final legislative enactment, but prior to election. Thus it is reasonable to conclude that, once both houses have finalized approval of a proposed amendment and published it according to their rules, the legislature no longer has any control or authority over the proposed amendment.”

The opinion essentially concludes that the Legislature may change the ballot question, but not the amendment proposed constitutional language. This is consistent with HF 4068, the MBRT bill, and would mean the “at least 40% ... not more than 60%” language would remain as the proposed constitutional language.

There is at least one contrary opinion House Research Opinion, by Joel Michael of House Research. The Michael opinion offers that, “the case for allowing rescission, modification, or amendment of previously approved amendments before they have been placed on [the] ballot is very strong, if not overwhelming.” In other words, he concludes that the legislature has the authority to modify-- or repeal--both the ballot question and the proposed constitutional language.

Presumably, the AG’s opinion will carry more weight in the legislative process and the courts. However, the differing opinions on the matter



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suggest the debate is not over, and that any legislation that changes the ballot question and/or the proposed constitutional language will face legal challenges.

Next Tuesday, the House Transportation Finance Committee will hear testimony on the authors of the legal opinions and will vote on the MVST bills before the committee.

Questions? Contact Anne Finn at 651.281.1263 or afinn@lmnc.org.

House bonding bill at \$949 million

The House Capital Investment Committee, chaired by Rep. Dan Dorman (R-Albert Lea) passed out their bonding bill this week. On Monday it will be up in House Ways and Means Committee, and likely up for a floor vote Wednesday morning as the last piece of business before representatives head for home and spring break. The Senate version is only \$40 million more than HF 2959. Media reports have portrayed this year's bill as the most expensive ever to come out of the House of Representatives.

The Senate seems to spend more on higher education, and the House spends a little more in economic development. As always, and particularly in a bonding bill—the devil is in the details. The bonding bill spreadsheet can be found at <http://www.house.leg.state.mn.us/fiscal/files/bond06.pdf>. This includes a comparison of the Senate and governor's recommendations as well.

Since the Senate has finished their work, the next steps will be the appointing of conferees, and the actual meetings and work of the

conferees. Many capitol-insiders speculate that once the bonding work is done, the legislature is likely to adjourn and go home to campaign for next fall's election.

Questions? Contact Jenn O'Rourke at 651.281.1261 or by email at jorourke@lmnc.org.

Senate tax bills status

According to Sen. Larry Pogemiller (DFL-Minneapolis), Senate Tax Chair, the Senate Tax Committee will begin the markup of an Omnibus Tax Bill, most likely on Monday, April 10. The Senate Tax Committee has been considering numerous bills throughout the week that will likely be included in the Omnibus Bill.

On Thursday evening, Sen. Pogemiller announced to the committee his intention to include roughly \$58 million for the Local Government Aid (LGA) formula, \$20 million in one-time money for first-ring suburbs through a yet-to-be-specified mechanism, and \$16 million for the restoration of the 2006 market value homestead credit (MVHC) cuts.

Sen. Pogemiller's initiatives on LGA and MVHC were discussed during this week's committee hearings. On Thursday, the committee considered a bill authored by Sen. Chuck Wiger (DFL-North St. Paul) that would restore the 2006 funding cuts to the market value homestead credit program. Testifying in support of the bill were Mayor Jan Callison, City of Minnetonka; Craig Waldron, City Manager, Oakdale; Ralph Teschner, Finance Director for the City of Prior Lake. Also testifying in support of the bill was Steve Peterson for the Coalition of Greater Minnesota



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Cities and Gary Carlson from the League of Minnesota Cities.

The committee also considered a bill authored by Sen. Rod Skoe (DFL-Clearbrook) that would restore an additional \$40 million in LGA funding cuts, eliminate the taconite aid offset in the formula and allow the population trigger for the regional center aid adjustment to be annually adjusted. Testifying in support of the Skoe bill were Mayor Larry Buboltz, City of Detroit Lakes, Steve Peterson, Coalition of Greater Minnesota Cities and Jennifer O'Rourke from the League of Minnesota Cities.

The committee has also been hearing a number of bills that would authorize cities to impose local option sales taxes. At this time, it appears that many, if not most of these requests will be included in the Senate Omnibus Bill.

Perhaps the bigger question is whether the House will also compile a House version of an Omnibus Tax Bill. Rep. Phil Krinkie, (R-Shoreview), House Chair, has suggested that he doesn't see a pressing need for a tax bill unless it would cut taxes. That said, many House members from both caucuses have stated their desire to approve some form of property tax relief this year. In addition, there are always a host of other tax issues that are being actively pursued this session and all of these initiatives would traditionally be included in an Omnibus Bill.

Remember, tax bills must be initiated by the House of Representatives.

Questions? Contact Jenn O'Rourke at 651.281.1261 or jorourke@lmnc.org.

Legislators on spring break

The Senate and House are expected to take their traditional Easter-Passover break starting April 13 and coming back on April 18. This is usually a great time to catch legislators back in the district on issues that are important to you. To schedule an appointment, contact legislators through their legislative assistants. Often these staff coordinate the schedules for legislators, even when they are home in the districts. Go to www.leg.state.mn.us for all those contact numbers.

Questions? Contact Brian Strub at 651.281.1256 or by email at bstrub@lmnc.org.

Town Hall Meetings

Town hall meetings are a great chance to meet with your legislators and tell your city-story close to home. Upcoming meetings in a city near you include:

April 8 in **Minnetonka** (Glen Lake Activity Center, 14350 Excelsior Boulevard, 9:30am) with Rep. Maria Ruud

April 8 in **Plymouth** (Hennepin Co. Plymouth Library, 15700 36th Avenue North, 10:30am) with Sen. Gen Olson, Sen. Ann Rest, and Sen. Terri Bonoff

April 8-23 is the **congressional district work period**. Members of Congress will be in Minnesota meeting with constituents. City officials who have a city-story to share with our Federal elected officials should take advantage of this time to schedule a meeting!

April 12-18 the **Minnesota House and Senate** are expected to break for Easter-



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Passover observances. Plan to visit with your state legislators as they are back in the districts, in a city near you, making plans for the final weeks of the 2006 session.

Check your local newspaper or radio station for additional dates. To receive e-mail notice of upcoming town hall meetings near you, subscribe online at

<http://www.house.leg.state.mn.us/maillist/maillist.asp> and

<http://www.senate.leg.state.mn.us/schedule/listserv.htm>

Selected meeting notices

House and Senate schedules may change with little notice. A fill and updated list can be found at www.leg.state.mn.us.

MONDAY

State Government Budget Division

Chair: Sen. Sheila Kiscaden

10 a.m. Room 107 Capitol

Agenda: Supplemental budget bill: State government budget division article.

Environment, Agriculture and Economic Development Budget Division

Chair: Sen. Dallas Sams

Immediately after session Room 107 Capitol

Agenda: Complete work on the division's supplemental appropriations bill.

TUESDAY

Committee: Agriculture, Environment and Natural Resources Finance

Chair: Rep. Dennis Ozment

8:15 a.m. Room: 5 State Office Building

Agenda: Committee mark up on omnibus

agriculture finance bill and omnibus environment and natural resources finance bill

Committee: State Government Finance

Chair: Rep. Marty Seifert

8:15 a.m. Room: Basement State Office

Building

Bill(s) Added

Agenda: HF 2362 (Smith) Minnesota state retirement contributions increased, correctional retirement plan inclusions provided, prior service credit transfers and purchases authorized and administrative provisions modified.

HF 2916 (Smith) Fire safety account established from fire premium and assessment revenue, fire insurance tax abolished, fire insurance policyholder surcharge established and money appropriated.

Committee: Transportation Finance

12:30 p.m. Room: 10 State Office Building

Chair: Rep. Mary Liz Holberg

Agenda: HF 3276 (Nelson, P) Impounded vehicle contents retrieval regulation and notices provided.

HF 3805 (Vanderveer) Shawn Silvera Memorial Highway designated on I-35.

Transportation Finance Division

Chair: Sen. Steve Murphy

3 p.m. Room 15 Capitol

Agenda: SF XXXX-Murphy: Trunk highway capital improvements.

SMALL CITIES UPDATE

April 3, 2006

House develops annexation bill

After many hours of testimony, the House Local Government committee passed a “committee” bill that made a variety of changes in the annexation process. Cities, out of a spirit of cooperation, did agree to some concessions, but the township associations, who had sought changes, are the groups now opposing the bill. They contend that they didn’t win enough, which isn’t sitting well with members of the committee. The main points in the bill do the following:

- Establishes a Municipal Boundary Task Force that will study and make recommendations to the Legislature on what, if any, changes should be made to the law governing municipal boundary adjustments.
- Limits contested annexations to no more than 1,920 acres of developable land in a single petition. The townships sought smaller acreage and opposed the addition of “developable land” in the bill.
- Adds that, in arriving at a decision on contested annexations, the director of boundary decisions must take into account whether or not the annexing municipality has plans for *enhanced* governmental services that will be provided *in a cost-effective and feasible manner within a reasonable time*.
- Changed the 60 acre provision to 120 acres but limited these “quick take” annexations to no more than one annexation a year of contiguous property per landowner. The townships only wanted the acreage to increase to 80 acres and wanted the limit of one year to apply to all property owned by one landholder.
- Adds additional notices to people affected by annexation.
- Calls for joint informational meetings of the city councils and town boards containing the land proposed to be annexed.

Both cities and townships support the establishment of a Municipal Boundary Task Force, so if the townships continue to oppose other sections of the bill, we expect the committee to delete all except the task force. The remaining portions of the bill will be up for discussion if and when the task force is formed. So far, there has been no action on annexation in the Senate, so it is hard to tell if anything will be enacted into law this session.

Bonding bill passes in the Senate

The Senate Capital Investment Committee’s bonding bill passed with overwhelming support in both the committee and on the Senate floor last week. The programs supported by MAOSC included:

- \$20 million for the Wastewater Infrastructure Fund (WIF) grant program, including \$6.5 million for at least six cities with new, but failing or malfunctioning, wastewater systems.
- \$38 million for the State Revolving Fund that provides low-interest loans for wastewater infrastructure. That amount was a big increase from previous years due to declining funds from the federal government.
- \$10 million for the Redevelopment Grant Program.
- \$10 million for the Business Development Public Infrastructure Grant Program.
- \$5 million for the Total Maximum Daily Load (TMDL) Matching Grant Program.

The House bonding proposals are still wending their way through committees, so it is hard to tell what the final bill will look like. The House bill is expected to call for less than the almost \$990 million in the Senate bill, and differences will have to be reconciled in conference committee.

Tracking Report will forestall wastewater problems

In the past few years, a number of cities have experienced failures or malfunctions in newly-installed wastewater systems. These problems went undetected for quite a while, allowing more systems to be built using the same designs. In an effort to stop these or similar problems, bills have been introduced requiring the MN Pollution Control Agency (MPCA) to annually prepare a report tracking the location and capacity of each new permitted system built after May 1, 2000. This report will be published on MPCA's web site by February 1 of each year. The report will include the name of the owner, the primary engineering/designing firm, the primary contractor and, if operated by other than the owner, the name of the company managing the facilities. All new design proposals will also have to include a description of the sewage treatment alternatives the engineer will evaluate as well as a range of all annual operation and maintenance cost of operating the facility for the first five years of operation.

Following amendments, the Senate bill was approved by cities, the agencies involved and engineering groups. It was passed out of committee and is awaiting final passage in the Senate. The House bill is awaiting a hearing in the House. Authors of the bill are Senator Tom Saxhaug (DFL-Grand Rapids) and Rep. Larry Howes (R-Walker). MAOSC has been spearheading efforts to correct this problem for the past six months, so we are pleased that action is being taken to protect all of our cities.

Clean waters bill on the move

The Clean Water Legacy Act has been bolstered by the Governor's support of including \$20 million in funding this session for the state's impaired waters program. However, we are still seeking at least one amendment that is of particular import for small cities. The amendment would avoid a statewide, one-size fits all approach to nutrient reductions, particularly in regard to phosphorous. A statewide 1 mg/L limit on phosphorous will limit the ability to do cost-effective trading programs, such as those already designed for the Minnesota River. As now proposed, the phosphorous rule will penalize the smallest communities which will have the highest cost of pollutant reduction. For instance, the cost of achieving a 1 mg/L phosphorus reduction are three to six times greater for small communities, depending upon what type of process they currently employ. If you meet or speak with any of your legislators, you should ask them to support this amendment.

Help needed in creating a MN Rural Resource Directory

In an effort to help the state be better prepared, MN Rural Partners (MRP) has made plans to create a Minnesota Rural Resource Directory. The directory will cover the entire state, with its number one goal being to help people find resources that will assist in meeting specific community needs. Its second goal is to help the state's "rural development industry" to do a better job of coordinating efforts. MRP has a database collection form on its website, enabling people to list their organizations on the directory. You can find this by going to <http://www.minnesotaruralpartners.org> and clicking on "Minnesota Rural Resource Directory construction site." MRP is asking people to spread the word, enabling them to map out where, who and how each serve the people of Minnesota.

The directory will make its debut during the *Symposium on Small Towns and Rural Summit* at the University of MN Morris on June 6-7. The theme of the combined Symposium-Summit is "Working Better Together for the Common Good."



Minnesota Pollution Control Agency

April 4, 2006

**RE: Open House and Informational Meeting on U.S. Steel – Minntac
Preliminary Proposal for Discharge from the Minntac Tailings Basin**

The Minnesota Pollution Control Agency (MPCA) will hold an open house and informational meeting on April 20, 2006, for U.S. Steel Minntac's preliminary proposal to discharge wastewater from its tailings basin in Mt. Iron, Minnesota

The preliminary proposal is to discharge water daily from its taconite tailings basin into the West Two River. The company plans to submit a water quality permit application to the MPCA in summer 2006.

The tailings basin is used for disposal of tailings generated from ore processing. The basin also allows fine particles to settle out and store water for facility use. The water discharge from the tailing basins is intended to improve ore processing efficiency and reduce environmental impact on the Dark River and Sandy River watersheds.

The MPCA has prepared an Environmental Impact Statement (EIS) for the proposed discharge that provides an in-depth analysis examining the potential for significant environmental effects as well as social and economic influences. The MPCA Citizens' Board deemed the EIS adequate in November 2005.

The open house and informational meeting will take place on **April 20, 2006, from 6:00 p.m. to 9:00 p.m. at the Mesabi Community College located at 1001 Chestnut Street West, Virginia, Minnesota.** The meeting will include formal presentations from the MPCA and U.S. Steel - Minntac between 7:00 p.m. and 8:00 p.m.

Please pass this meeting notice on to any other groups or individuals that may be interested.



Coalition of Greater Minnesota Cities

CGMC in Brief

April 6, 2006

Contact: Sarah Kleppe
651.225.8840

Annexation Compromise Reached

The annexation negotiations with the townships have gone well and it appears an agreement was reached. Provisions in the consensus bill include:

- Additional factors for an administrative law judge to consider in contested annexations
- An expansion of property-owner-petitioned annexations to allow a property owner to request annexation of up to 120 acres at a time. This provision is limited to one petition per property owner per year.
- A municipal boundary adjustment task force to discuss additional issues related to municipal boundary adjustments. The task force will make recommendations to the Legislature by January 1, 2007.

The compromise originally contained a 1,920 acre cap on contested annexations, but the Minnesota Association of Townships urged the cap be taken out of the bill. The parties have agreed to discuss issues related to contested annexations through the task force process.

The townships have agreed to send a joint letter with cities to all legislators supporting the agreement and will discourage attempts to modify the bill with amendments.

Transportation Update

Special thanks to **Mankato City Manager Pat Hentges** for testifying in the House Transportation Finance Committee today in support of the CGMC-initiated H.F. 3048 (Lanning, Sviggum, Holberg, Solberg, Hosch, Demmer, Nelson, P., Wilkin and Magnus) and H.F. 2915 (Gunther, Dorman, Welti, Brod, Magnus, Ruth, Solberg and Moe). Both bills would guarantee 60 percent of MVST revenue to highways through the Highway User Tax Distribution Fund.

Local Government Aid Bill

Special thanks to **Detroit Lakes Mayor Larry Buboltz** for testifying in support of CGMC's Equity in Property Tax Act, H.F. 2914 (Dorman)/S.F. 2475 (Skoe) Thursday in the Senate Tax Committee.

The Equity in Property Tax Act increases LGA funding by \$40 million for 2007 and fully funds the program by 2010; it was placed on the committee's B list for further consideration. Flaherty & Hood, P.A.'s Steve Peterson and the League of Minnesota also testified on behalf of the bill authored by **Sen. Rod Skoe, DFL-Clearbrook**.



**August 2-4 – CGMC
Summer Conference
in Red Wing**

Mark your calendars! The CGMC's annual summer conference will be held **Wednesday, August 2 – Friday, August 4 in Red Wing**. Because it is an election year, the coalition will host candidate forums at the historic Sheldon Theatre. In addition, coalition members will decide policy positions for the upcoming legislative session.

The CGMC has booked the entire St. James Hotel (61 rooms). To reserve a room at the St. James, phone 1.800.252.1875 and ask for the CGMC rate.





League of Minnesota Cities

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

(651) 281-1200 • (800) 925-1122

Fax: (651) 281-1299 • TDD: (651) 281-1290

www.lmnc.org

April 6, 2006

Dear City Official:

Enclosed please find the League's *State of the Cities Report 2006*, which describes the findings of the third annual survey on city fiscal conditions. The report also features an analysis of the growing cost of clean water. The future capital needs that cities will face in order to provide safe drinking water, efficient wastewater systems and effective stormwater management and the impact on households are described. The discussion also explores the ways in which water policy issues, including funding clean water requirements and accommodating population growth, will impact how and where development occurs.

Among the report's key findings:

- **Despite a steady increase in the share of cities seeing improving fiscal conditions, almost half of Minnesota cities said their financial circumstances deteriorated between 2004 and 2005.** Smaller cities were more likely to experience deteriorating fiscal conditions as well as to predict continuing struggles in 2006.
- **Shortfalls in state revenue were identified by fewer cities than in 2003, when 82% of cities reported them.** The budget strategies used most frequently in 2005 were revenue increases, drawing on reserves and implementing efficiency measures like contracting out. Many fewer cities made overall spending cuts or workforce cuts than in 2003, suggesting that for some cities, budget situations have stabilized even if they are not rosy. Cities also identified infrastructure needs, health insurance costs, public safety needs and state environmental mandates as having major impacts on 2005 city budgets.
- **City drinking water and wastewater systems will require more than \$9 billion in capital investments over the next 20 years.** Due to the projected population increase of one million people and changing state and federal requirements for clean water, cities face almost \$1 billion per year of capital costs over the next five years to rehabilitate and replace infrastructure, expand systems and upgrade treatments. Projected household cost increases for clean water will be unaffordable for many Minnesotans if the costs are borne locally.
- **The ways in which clean water requirements are addressed and the growing demand for water will determine how and where development occurs.** Cities that are unable to expand storm water and wastewater facilities due to pollution discharge limits will see development go elsewhere. Cities need technical assistance and funding in order to continue planning for responsible growth and reliable water service.

We hope you will share the information in the *State of the Cities Report 2006* – and your city's unique story – with legislators and your local media. **To assist you, we have enclosed a backgrounder document on the report as well as the press release that was sent to media.** We also ask that you join us in drawing the attention of the Legislature to issues that influence how you meet the needs of your community, including prevention of artificial revenue and spending limits and funding solutions for impaired waters. For assistance in reaching out to your legislators, please contact Brian Strub, policy coordinator, at bstrub@lmnc.org or 651-281-1256. For help working with the media, contact Don Reeder, public relations coordinator, at dreeder@lmnc.org or 651-215-4031. For more information on the *State of the Cities 2006* report, contact Eric Willette, manager of policy analysis, at willette@lmnc.org or 651-281-1245.

Sincerely,

Bonnie Besse Rietz, President

James F. Miller, Executive Director



League of Minnesota Cities

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

(651) 281-1200 • (800) 925-1122

Fax: (651) 281-1299 • TDD: (651) 281-1290

www.lmnc.org

State of the Cities Report 2006—Background

The State of the Cities Report 2006 presents the results of the third annual League of Minnesota Cities fiscal conditions survey. It also explores the factors causing the cost of clean water to increase, and describes the future costs cities will face to provide safe drinking water and reliable wastewater and stormwater systems. Minnesota has more surface water than any of the 48 contiguous states. Quality of water affects quality of life for Minnesota residents, and clean water is necessary to maintain healthy agricultural and business economies.

The fiscal conditions survey was sent to 826 LMC member cities, and 49 percent of the cities responded. The “Cost of Clean Water” portion of the report includes analysis of data from the Minnesota Pollution Control Agency (MPCA), the Federal Environmental Protection Agency, the West Central Initiative, the Office of the State Auditor, the Minnesota Department of Health, and the 2000 Census.

Fiscal Conditions of Cities

- Forty-five percent (45%) of cities reported that fiscal conditions improved between 2004-2005, while nearly half (49%) indicated that their fiscal conditions declined over the same time period.
- Smaller cities were more likely to see a decline in fiscal health in 2005—two-thirds of the cities reporting a decline are below 1,300 in population.
- Among cities that were less able to meet needs in 2005 than in 2004 (49%), the five factors cities identified the most as having major impacts on budgets were infrastructure needs, cost of employee healthcare benefits, inflation, public safety needs, and the health of the local economy.
- The three budget actions that cities employed most frequently in 2005 were to grow revenue through property taxes and/or fee increases, to rely on reserves, and to pursue efficiency measures—including contracting, entering into cooperative agreements, and increasing productivity levels.
- The share of cities making cuts to their workforces fell from 26% in 2003 to 5% in 2005. A similar decline was seen in the share of cities reporting spending cuts.

The Cost of Clean Water

- Maintaining and improving the quality of our water resources is one of today’s most critical public challenges.
- About 700 of Minnesota’s 853 cities operate municipal drinking water and wastewater systems, with the rest relying primarily on wells and individual sewer treatment systems.

- Collectively, Minnesota cities face more than \$9 billion in future capital needs including \$1 billion in each of the next five years.
- The Metropolitan Council recently projected that, in the seven-county metro area, demand for water by all types of users will increase by about 29 percent between the years 2000 and 2030 due to growth in population and economic activity.
- The primary issue affecting impaired waters is compliance with the Federal Clean Water Act. The Act requires Minnesota cities to reduce pollution from stormwater runoff by developing and implementing pollution prevention plans. Many of these plans will involve costly infrastructure improvements, including infiltration and retention ponds, rain gardens, and underground storage.
- The Act also requires the MPCA to measure pollution discharge to all water bodies, and to limit future discharges to keep the water from exceeding water quality standards.
- When a water body is defined as impaired, the state must complete a study of the contributing sources of pollution known as a Total Maximum Daily Load (TMDL) study and develop a plan for cleaning up the water.
- One major impairment identified by TMDLs is phosphorus. Infrastructure necessary to comply with state phosphorus treatment requirements is projected to cost cities \$200 to \$250 million.
- If left unaddressed, the expanding TMDL requirements for wastewater discharge and stormwater runoff, as well as long-term drinking water supply issues, will severely limit the ability of cities to expand systems to accommodate new development.
- The Clean Water Legacy Act (CWLA) being considered by the Minnesota Legislature in its 2006 session would provide approximately \$80 million in new state funding annually to address the costs of complying with the Federal Clean Water Act. This would result in more than \$60 million per year in new funding to cities.

April 10, 2006

Dear Mayor Skalko,

The taping of the council meeting of April 3, 2006 just aired on channel 12.

This is to commend you for your self control in dealing with the childish behavior by certain councilors.

You have my vote should you choose to run for office again.

To address an issue for you.

Mountain Manor apartment building is 25 years old. Many additional nicer, larger apartments are currently available. The competition offers air conditioning, free cable, built in microwave ovens, all new cupboards and of course, nice carpeting. The competition also has the same rental structure, plus some of them are advertising on TV and allow small pets.

There were young people from the college residing at Mountain Manor apartments school year 2004/2005. One couple moved out of state, but the others moved to nicer accommodations. None chose to return. Apartments in Virginia have bus transportation plus the amenities I previously mentioned.

Mountain Manor is in need of updating. The building is tired and worn out. All the flooring is old and dirty, this also applies to the common areas.

I reside at Mountain Manor apartments.

I wish to remain anonymous.

Keep up the good work.

Sincerely,

Someone from the street. (teehee)