

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, APRIL 20, 2009 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the April 6, 2009, Regular Meeting (#1-14)
 - B. Communications (#46)
 - C. Receipts
 - D. Bills and Payroll
- III. Public Forum
 - A. Archery Club
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. Zamlen Search Request
 - B. City Administrator's Report
 - 1. OPEB Determination Proposal (#15-20)
 - C. Director of Public Works Report
 - D. Sheriff's Department Report
 - 1. Monthly Statistics (#21)
 - E. City Engineer's Report
 - F. City Attorney's Report
 - G. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Ordinance Number 04-09 Franchise Agreement (#22-25)
 - B. Resolution Number 15-09 Accepting Bid (#26-27)
 - C. Resolution Number 16-09 Accepting Report (#28-38)
 - D. WWTP Equipment Bids (#39-41)
 - E. Change Order Number 3 (#42-44)
 - F. Summer Employment (#45)
 - G. Communications (#46)
 - H. Closed Meeting – Consider Strategies for Labor Negotiations (#47)
- VII. Announcements
 - A. Board of Review Meeting – April 21, 2009 – 6:30 p.m.
 - B. Committee-of-the-Whole Meeting – April 28, 2009 – 6:30 p.m.
- VIII. Adjourn # Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
APRIL 6, 2009

Mayor Skalko called the City Council meeting to order at 6:32 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Anderson, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; John Backman, Sergeant; and Rod Flannigan, City Engineer (entering at 6:53 p.m.).

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

1. Approve the minutes of the March 19, 2009, special meeting as submitted.
2. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period March 16-31, 2009, totaling \$182,507.70, (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, 2009, totaling \$313,721.08, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

It was moved by Prebeg and supported by Stanaway to approve the minutes of the March 16, 2009, regular meeting as submitted. The motion carried with Roskoski voting no.

At 6:36 p.m., it was moved by Zupancich and seconded by Roskoski to recess the regular meeting and open the public hearing on the Old Highway 169 overlay. The motion carried.

The Mayor explained to the public that the Old Highway 169 project was initially set up as a three year project, but the Council was making the project into a two year project. The potential cost savings would be with a one time set up fee, oil prices are down, and with the economy right now, there should be competitive bids.

Ron Kutsi, parcel 175-0071-01985, said that his father also owns a parcel in Kinross, parcel 175-0071-01980, and his property is 3.95 acres and his own parcel is 0.65 acres. He questioned why the smaller parcel had a larger assessment. The City Administrator said that the assessments were calculated by street frontage.

The Mayor informed the public that the special assessment costs to the property owners on Old Highway 169 were 10% with the City paying 90% of the costs.

Jill Aubin, representing her father, Arnold Suihkonen, who owns parcel 175-0071-01990, questioned who is paying for the maintenance on the road with the logging trucks and U. S. Steel Corporation vehicles using the road. City Staff advised her that the road is rated as a nine ton road and is open to all types of vehicles and the maintenance is covered on an annual basis through the City's general fund with no assessments on the maintenance.

Beverly Forstrom, parcel code 175-0071-01850, said that she was concerned with the contractors using a crushed taconite product that is causing problems with flat tires. The Director of Public Works said that he would review the bids specifications to make sure that they call for Class 5.

At 6:53 p.m., it was moved by Zupancich and seconded by Prebeg to adjourn the public hearing and reconvene the regular meeting. The motion carried.

The Mayor updated the Council on the following:

- Recreation Department. He said that the Events Director said that the 1st Annual Skating Party was a success. He commended Sally Peterangelo for coordinating the event.
- Congratulations. He congratulated various area athletic teams for their accomplishments in the 2008-2009 season.
- Eagle Scouts. He said that he attended the ceremony for Sam Paakkonen and Dustin Leff.
- Wind Energy. He stated that the tax forfeited land was transferred to the City for the wind energy project in the Giants Ridge area.

It was moved by Skalko and seconded by Prebeg to appoint Kevin Squillace to the Utility Advisory Board to fill a vacancy with the term expiring on December 31, 2009. The motion carried with Roskoski abstaining.

It was moved by Skalko and seconded by Roskoski to appoint Carolyn Olsen to the Library Board to fill a vacancy with the term expiring on December 31, 2010. The motion carried.

It was moved by Skalko and seconded by Prebeg to set a Labor Management Meeting for Wednesday, April 15, 2009, at 2:00 p.m. with Councilor Zupancich and Mayor Skalko agreeing to attend. The motion carried.

It was moved by Skalko and seconded by Zupancich to proclaim April 29th Care Partners Day and waive the building rental fees for the fundraiser on April 29, 2009. The motion carried.

It was moved by Zupancich and seconded by Roskoski to accept the retirement of William Otto effective April 1, 2009. The motion carried.

The City Administrator updated the Council on the following:

- Wind Project. He informed the Council that Gary Cerkenik was looking for a Council Member to travel to Saint Paul with him on April 14th regarding a hearing on a bill for the project.
- Economic Development Authority. He said that at the last EDA meeting, he briefed the Authority on the Morgan Park Estates Project, with the EDA taking the project back. He said that this project should move forward this Spring.

- Business North paper. He said that he left a copy of an article that appeared in the paper regarding the Rock Ridge Development. He said that this was good publicity for the community.
- Perkins Family Restaurant. The Council was informed that Perkins would be building a restaurant in the Rock Ridge Development. It was noted that this was one of six that would be built in the Country this year.
- Taconite Ridge Windmills. He advised the Council that approximately \$10,000 was collected and paid to the City for production tax on the windmills.
- Unity Drive Railroad Crossing. He said that he had not heard back from them yet.

It was moved by Roskoski and seconded by Stanaway to authorize change order number one for the replacement of support gravel and media in the Water Treatment Plant in the amount of \$16,000, decreasing the project to \$48,300.00. The motion carried.

It was moved by Zupancich and seconded by Prebeg to authorize payment request number two for the replacement of support gravel and media in the Water Treatment plant in the amount of \$2,415.00. The motion carried unanimously on a roll call vote.

It was moved by Skalko and seconded by Stanaway to set a Committee-of-the-Whole meeting for Tuesday, April 28, 2009 to hold an informational meeting for the residents of the Westgate Neighborhood to discuss drainage issues. The motion carried.

It was moved by Zupancich and seconded by Prebeg to adopt Ordinance Number 02-09, amending the zoning map, (a copy is attached and made a part of these minutes). The motion carried unanimously.

It was moved by Prebeg and seconded by Stanaway to adopt Ordinance Number 03-09, amending chapters 151 and 154 of the Mountain Iron City Code, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Stanaway and seconded by Roskoski to adopt Resolution Number 13-09, ordering improvement and preparation of plans for the Old Highway 169 Project, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Zupancich and Skalko to adopt Resolution Number 14-09, ordering preparation of report on improvement for an overlay of Mill Avenue, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Stanaway and seconded by Zupancich to authorize payment request number three for the Mountain Manor Apartment remodel in the amount of \$24,035.00. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Skalko to authorize B.G.'s Bar to serve alcohol at the Muck wedding reception on May 2, 2009 in the Community Center. The motion carried.

It was moved by Prebeg and seconded by Zupancich to waive the building rental fees for the following events:

- Mesabi Academy School for a benefit on April 16, 2009, at the Community Center, for Deanne Schaeffbauer on April 16, 2009.
- Messiah Lutheran Church for a benefit on April 17, 18, and 19, 2009, at the Nichols Town Hall, for a mission trip.
- Mesabi Family YMCA for a benefit on April 24, 2009, at the Community Center, for their annual Strong Kids' Auction.
- Iron Range Partnership for Sustainability for the first annual Iron Range Earth Fest on April 18, 2009, at the Community Center.

It was moved by Roskoski to amend the motion to include the amount of the rental fees waived in the amount of \$50 to \$200. The amendment to the motion died for lack of a second. The motion carried.

It was moved by Prebeg and seconded by Zupancich to set a closed meeting for Wednesday, April 15, 2009, at 4:00 p.m., to discuss labor negotiation strategy with regard to the AFSCME Union contract and Russo Consulting will be assisting the Council. The motion carried.

At 7:44 p.m., it was moved by Skalko and seconded by Stanaway that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

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COMMUNICATION

1. Mediacom, forwarding information regarding an improvement on their programming choices for the digital customers.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	136,176.30
LICENSES	ANIMAL	30.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	1,500.00
METER DEPOSITS	ELECTRIC	2,150.00
PERMITS	BUILDING	102.29
BUILDING RENTALS	COMMUNITY CENTER	300.00
INTERGOVERNMENTAL REVENUE	STATE FIRE AID	2,000.00
CAMPGROUND RECEIPTS	FEES	255.00
LICENSES	LIQUOR	800.00
FINES	CRIMINAL	2,025.27
COPIES	COPIES	72.00
METER DEPOSITS	WATER	40.00
CHARGE FOR SERVICES	WATER-CHARGE FOR SERVICES	70.00
MISCELLANEOUS	FAX CHARGES	20.00
MISCELLANEOUS	ASSESSMENT SEARCHES	30.00
CD INTEREST	CD INTEREST 101	218.19
CD INTEREST	CD INTEREST 378	490.93
CD INTEREST	CD INTEREST 602	174.55
CD INTEREST	CD INTEREST 603	207.29
BUILDING RENTALS	NICHOLS HALL	25.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	34,147.44
MISCELLANEOUS	REIMBURSEMENTS	1,220.70
BUILDING RENTALS	SENIOR CENTER	50.00
CD INTEREST	CD INTEREST 301	402.74
Summary Totals:		<u>182,507.70</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
04/09	04/01/2009	135515	110020	VOID - GERALD KNAPPER	101-20200	37.92 -M
04/09	04/01/2009	135743	1117	VOID - LUTHERAN SOCIAL SERVICES	101-20200	100.00 -M
04/09	04/08/2009	137766	10055	ALTEC INDUSTRIES INC	604-20200	161.02
04/09	04/08/2009	137767	10041	ARROWHEAD EMS ASSOCIATION	101-20200	75.00
04/09	04/08/2009	137768	10023	ARROWHEAD REGIONAL DEVELOPME	101-20200	250.00
04/09	04/08/2009	137769	5007	ASSURANT EMPLOYEE BENEFITS	603-20200	653.15
04/09	04/08/2009	137770	20022	BENCHMARK ENGINEERING INC	101-20200	50,765.00
04/09	04/08/2009	137771	4039	CARLA LEIKAS	101-20200	200.00
04/09	04/08/2009	137772	30068	CHAD, GREG	101-20200	40.00
04/09	04/08/2009	137773	220003	CITY OF VIRGINIA	101-20200	103.19
04/09	04/08/2009	137774	30059	CVAR, THOMAS	101-20200	280.00
04/09	04/08/2009	137775	30072	CW TECHNOLOGY	301-20200	980.30
04/09	04/08/2009	137776	4035	DELANIE GIORGI	101-20200	100.00
04/09	04/08/2009	137777	60026	FASTENAL COMPANY	101-20200	24.31
04/09	04/08/2009	137778	60029	FERGUSON ENTERPRISES INC	101-20200	931.90
04/09	04/08/2009	137779	70035	G & K SERVICES	101-20200	38.60
04/09	04/08/2009	137780	70016	GOPHER STATE ONE CALL INC	604-20200	15.95
04/09	04/08/2009	137781	70028	GREATER MINNESOTA AGENCY INC	101-20200	192.00
04/09	04/08/2009	137782	70029	GUARDIAN PEST CONTROL INC	101-20200	140.90
04/09	04/08/2009	137783	80029	H G HARVEY CONSTRUCTORS INC	301-20200	24,035.00
04/09	04/08/2009	137784	80017	HENRY'S WATERWORKS INC	601-20200	664.85
04/09	04/08/2009	137785	90018	IRON RANGE RESOURCES	101-20200	10.00
04/09	04/08/2009	137786	4042	JAN KNUTI	101-20200	200.00
04/09	04/08/2009	137787	60018	JILL M ANDERSON	101-20200	545.10
04/09	04/08/2009	137788	4038	KATHY BUKOVAC SANDNAS	101-20200	200.00
04/09	04/08/2009	137789	100021	KNAPPER, JERRY	101-20200	37.92
04/09	04/08/2009	137790	120032	LAKE COUNTRY POWER	101-20200	197.03
04/09	04/08/2009	137791	120002	LAWSON PRODUCTS INC	604-20200	236.53
04/09	04/08/2009	137792	4037	LISA JOHANNESHOHN	101-20200	200.00
04/09	04/08/2009	137793	130144	MAGNEY CONSTRUCTION INC	601-20200	2,415.00
04/09	04/08/2009	137794	130136	MATTILA, ALAN	101-20200	40.00
04/09	04/08/2009	137795	130093	MESABI RANGE COLLEGE	101-20200	310.00
04/09	04/08/2009	137796	130008	MINNESOTA MUNICIPAL UTILITIES	101-20200	2,450.00
04/09	04/08/2009	137797	130009	MINNESOTA POWER	101-20200	1,382.11
04/09	04/08/2009	137798	120007	MOTION INDUSTRIES INC	101-20200	117.60
04/09	04/08/2009	137799	140055	NORTHERN VISUAL SERVICES	101-20200	60.00
04/09	04/08/2009	137800	140008	NORTRAX EQUIPMENT/POWERPLAN	101-20200	57.52
04/09	04/08/2009	137801	40032	OFFICE OF ENTERPRISE TECHNOLOG	101-20200	437.53
04/09	04/08/2009	137802	160002	PETTY CASH FUND	101-20200	88.39
04/09	04/08/2009	137803	160047	PONTINEN, RYAN	101-20200	20.00
04/09	04/08/2009	137804	160052	PONTINEN, STACEY	101-20200	10.00
04/09	04/08/2009	137805	160037	PRAXAIR	101-20200	403.88
04/09	04/08/2009	137806	170007	QUILL CORPORATION	101-20200	327.89
04/09	04/08/2009	137807	180052	REED BUSINESS INFORMATION	602-20200	988.92
04/09	04/08/2009	137808	4043	SAINT LOUIS COUNTY	101-20200	200.00
04/09	04/08/2009	137809	4041	SARAH MARTURANO	101-20200	200.00
04/09	04/08/2009	137810	190001	SEARS COMMERCIAL CREDIT	101-20200	177.20
04/09	04/08/2009	137811	190045	SERVICE SOLUTIONS	101-20200	324.93
04/09	04/08/2009	137812	190004	SKUBIC BROS INC	603-20200	1,723.73
04/09	04/08/2009	137813	190006	SPRING CREEK OUTFITTERS INC	101-20200	4.00
04/09	04/08/2009	137814	190016	ST LOUIS COUNTY AUDITOR	101-20200	70.08
04/09	04/08/2009	137815	190039	ST LOUIS COUNTY RECORDERS OFFC	101-20200	276.00
04/09	04/08/2009	137816	4044	SUMMER WORK OUTREACH PROGRAI	101-20200	200.00
04/09	04/08/2009	137817	200003	TACONITE TIRE SERVICE	101-20200	30.90
04/09	04/08/2009	137818	200020	THE TRENTI LAW FIRM	101-20200	2,740.41
04/09	04/08/2009	137819	200028	TRI CITIES BIOSOLIDS DISPOSAL	602-20200	6,493.00
04/09	04/08/2009	137820	210002	UNITED TRUCK BODY COMPANY INC	101-20200	88.78

M = Manual Check, V = Void Check

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
04/09	04/08/2009	137821	4040	USDA RURAL DEVELOPMENT	101-20200	200.00
04/09	04/08/2009	137822	220025	VERIZON WIRELESS	101-20200	1,955.11
04/09	04/08/2009	137823	220014	VIKING INDUSTRIAL NORTH	101-20200	479.16
04/09	04/08/2009	137824	4036	VIRGINIA FIREFIGHTERS AUX.	101-20200	200.00
04/09	04/08/2009	137825	240001	XEROX CORPORATION	101-20200	589.90
04/09	04/08/2009	137826	260005	ZEP MANUFACTURING COMPANY	101-20200	368.28

Totals:

						<u>106,570.15</u>
				Payroll-PP ending 3/20/09		105,600.42
				Payroll-PP ending 4/3/09		66,450.51
				Wire Trans.-No Securities 3/27/09		<u>35,100.00</u>
				TOTAL EXPENDITURES		<u>\$313,721.08</u>



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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

ORDINANCE NUMBER 02-09

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 Industrial (I):

That part of the SE1/4 of the SE1/4 of Section 10, T58N, R18W lying north of Highway 169

All of the NE ¼ of the SE1/4 of Section 10, T58N, R18W

All of the NW ¼ of the SE1/4 of Section 10, T58N, R18W

That part of the NE1/4 of the SW1/4 of Section 10, T58N, R18W lying east of County Road 102 and excepting the southerly 380 feet


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

Section 3. Effective Date. This Ordinance shall be effective according to State Statute.

DULY ADOPTED BY THE CITY COUNCIL THIS 6th DAY OF APRIL, 2009.

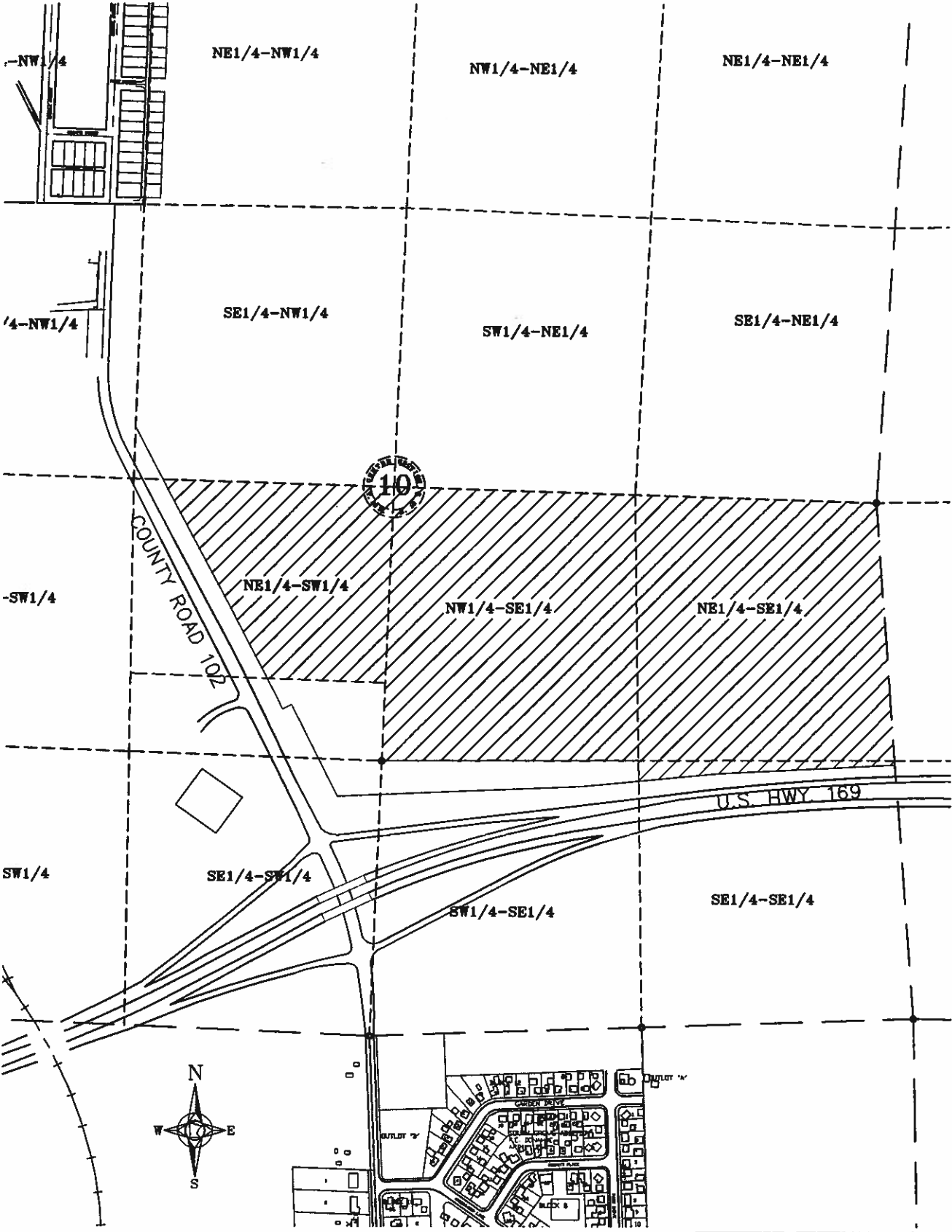
Attested:



City Administrator


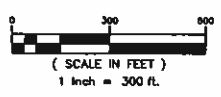
Mayor Gary Skalko

Plotted By: edmn
\\mservers2\land projects\MOB-CE\img\CONCEPT_DEVELOPMENT AREAS.dwg Jun 27, 2009 - 9:42am



 AREA TO BE ZONED INDUSTRIAL (I)

ZONING MAP AMENDMENT EXHIBIT
CITY OF MOUNTAIN IRON, MINNESOTA



Benchmark
ENGINEERING, INC.
CIVIL & ENVIRONMENTAL ENGINEERING • LAND SURVEYING
PLANNING • LAND DATABASE MAPPING
8878 Main Street, Post Office Box 261
Mountain Iron, Minnesota 55768
Phone 218/735-8914
http://www.bm-eng.com



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ORDINANCE NUMBER 03-09

AMENDING CHAPTERS 151 AND 154 OF THE MOUNTAIN IRON CITY CODE

THE CITY COUNCIL OF MOUNTAIN IRON ORDAINS:

Section 1. Amending Section 151.35. Section 151.35 of the City Code for City of Mountain Iron is hereby repealed in its entirety and replaced with the following:

151.35 ADMINISTRATION.

(A) *Permit required.*

1. A Zoning Permit issued by the City of Mountain Iron shall be secured prior to the construction, addition, or alteration of any building or structure that changes its footprint on the land or its heights; prior to the erection of a fence or sign; prior to the use or change of use of a building, structure, or land; prior to the change or extension of a nonconforming use; and prior to excavation or the placement of an obstruction within the flood plain.
2. A Building Permit issued by the City of Mountain Iron shall be secured prior to the construction, addition, or alteration of any building or structure except when such construction, addition, or alteration is not subject to the provisions of the State Building Code and when the total value of materials and labor does not exceed \$2,000.
3. Prior to the occupation of a dwelling or addition, a Certificate of Occupancy must be issued by the City of Mountain Iron.

(B) *State and federal permits.* Prior to granting a permit or processing an application for a variance, the Mountain Iron Planning and Zoning Commission shall determine that the applicant has obtained all necessary state and federal permits.

(C) *Certificate Survey.* For any structure to be constructed on a permanent foundation, the applicant shall submit a certificate of survey of the subject property prepared by a registered land surveyor. The original markers identified on the survey must be located and marked on the site. If the original markers cannot be located, the survey must be updated by a registered land surveyor. Properties located within the boundaries of the mineral mining classification are exempt from this requirement.

- (D) *Certification of lowest floor elevations.* The applicant shall be required to submit certification by a registered professional engineer, registered architect or registered land surveyor that the finished fill and building elevations were accomplished in compliance with the provisions of this chapter. The Mountain Iron Planning and Zoning Commission shall maintain a record of the elevation of the lowest floor (including basement) for all new structures and alterations or additions to existing structures in the Flood Plain District.

Section 2. Amending Section 154.180. Section 151.180(A) and (B) of the City Code for City of Mountain Iron is hereby repealed in its entirety and replaced with the following:

154.180 PERMITS AND FEES.

- (A) A Zoning Permit issued by the City of Mountain Iron shall be secured prior to the construction, addition, or alteration of any building or structure that changes its footprint on the land or its heights; prior to the erection of a fence or sign; prior to the use or change of use of a building, structure, or land; prior to the change or extension of a nonconforming use; and prior to any excavation.
- (B) A Building Permit issued by the City of Mountain Iron shall be secured prior to the construction, addition, or alteration of any building or structure except when such construction, addition, or alteration is not subject to the provisions of the State Building Code and when the total value of materials and labor does not exceed \$2,000.

Section 3. Amending Section 154.180. Section 151.180(G) and (H) are hereby made a part of the City Code of the City of Mountain Iron and shall be as follows:

154.180 PERMITS AND FEES.

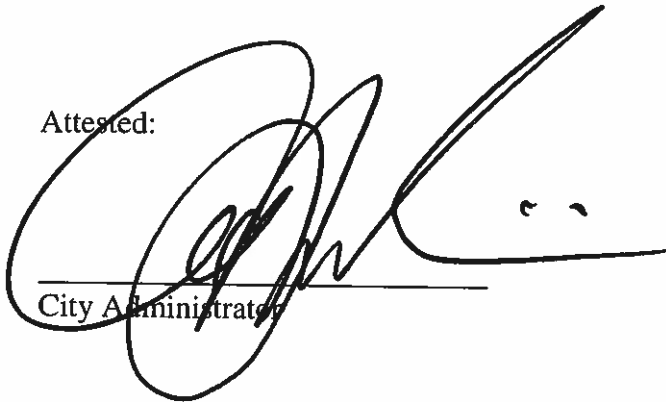
- (G) *State and federal permits.* Prior to granting a permit or processing an application for a variance, the Mountain Iron Planning and Zoning Commission shall determine that the applicant has obtained all necessary state and federal permits.
- (H) *Certificate Survey.* For any structure to be constructed on a permanent foundation, the applicant shall submit a certificate of survey of the subject property prepared by a registered land surveyor. The original markers identified on the survey must be located and marked on the site. If the original markers cannot be located, the survey must be updated by a registered land surveyor. Properties located within the boundaries of the mineral mining classification are exempt from this requirement.

Section 4. Repeal of Inconsistent Ordinance. All Ordinances inconsistent herewith are hereby repealed and replaced with the provisions of this Ordinance.

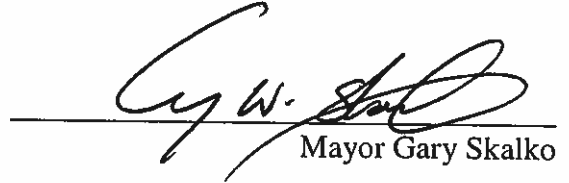
Section 5. Effective Date. This Ordinance shall be effective according to State Statute.

DULY ADOPTED BY THE CITY COUNCIL THIS 6th DAY OF APRIL, 2009.

Attested:



City Administrator



Mayor Gary Skalko



CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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RESOLUTION NUMBER 13-09

ORDERING IMPROVEMENT AND PREPARATION OF PLANS

WHEREAS, a Resolution of the City Council adopted the 2nd day of March, 2009, fixed a date for a City Council hearing on Improvement No. MI09-07, the proposed improvement of Old Highway 169 approximately one mile west of the Costin Plat to the western city limits by overlayment, and

WHEREAS, ten days' mailed notice and two weeks' published notice of the hearing was given, and the hearing was held thereon on the 6th day of April, 2009, at which all persons desiring to be heard were given an opportunity to be heard thereon,

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

1. Such improvement is necessary, cost-effective, and feasible as detailed in the feasibility report.
2. Such improvement is hereby ordered as proposed in the City Council Resolution adopted 2nd day of March, 2009.
3. Such improvement has no relationship to the comprehensive municipal plan.
4. Benchmark Engineering is hereby designated as the engineer for this improvement. The engineer shall prepare plans and specifications for the making of such improvement.

DULY ADOPTED BY THE CITY COUNCIL THIS 6th DAY OF APRIL, 2009.

ATTEST:



City Administrator



Mayor Gary Skalko



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RESOLUTION NUMBER 14-09

ORDERING PREPARATION OF REPORT ON IMPROVEMENT

WHEREAS, it is proposed to improve Mill Avenue between the centerline of Agate Street and the centerline of Mountain Avenue by overlayment and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429.

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

That the proposed improvement be referred to Benchmark Engineering for study and that that person is instructed to report to the City Council with all convenient speed advising the City Council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; the estimated cost of the improvement as recommended; and a description of the methodology used to calculate individual assessments for affected parcels.

DULY ADOPTED BY THE CITY COUNCIL THIS 6th DAY OF APRIL, 2009.

ATTEST:



City Administrator



Mayor Gary Skalko

April 14, 2009

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

Re: Proposal for GASB Actuarial Services - Retiree Medical Plan

Dear Craig:

Thank you for this opportunity to present our proposal to provide actuarial services to the City of Mountain Iron. This letter gives a brief overview of our firm and the services we can provide for the City's retiree health plan.

As you know, GASB 43 and GASB 45 outline requirements for governmental entities' disclosure of financial obligations relating to other post-employment benefits (OPEB). This includes benefits such as postretirement health benefits and life insurance. The standards require Cities to account for benefits on an accrual basis - similar to the current standards for pensions - to allocate the cost of benefits over the course of an employee's career. Cities need to account for the benefits available to current active employees who may become eligible for the retirement benefits in the future, even though the active employees may not retire for years to come.

Several of the entities we've worked with also have severance plans which pay retirees unused sick leave. Along with the retiree medical valuation we have performed valuations of the severance plan to assist with financial planning. Using actuarial methods, we can project future severance payments. Although not required by GASB 43/45, the valuation of the severance benefits is a useful financial tool and it's based on the same data, so it makes sense to value it at the same time.

Our Experience

We have worked with over 40 Minnesota school districts, Minnesota cities (Duluth, St. Paul, St. Cloud and others), and the Metropolitan Airports Commission to determine OPEB liabilities under GASB 45. We have also been selected as the preferred actuary for the League of Minnesota Cities. We have assisted employers in the private sector for years with similar calculations required under GAAP accounting standards (FAS 106 and FAS 132).

We have made presentations on the GASB standards at several MASBO Spring Conferences, the Minnesota Society of CPA's Conference, the Northeast OPEB Seminar, the 2007 cmERDC Annual Business Conference, and the Region V Computer Services 2006 Spring Seminar. Jim Van Iwaarden spoke at the 2007 fall MASBO conference regarding OPEB cost reduction strategies, and spoke in May at an OPEB conference in California.

We have met with the Minnesota Attorney General's and State Auditor's offices to discuss solutions for funding OPEB benefits through qualified trusts. We have also worked with school districts that have set up funds for OPEB benefits. You may have heard that the Minnesota legislature passed a bill to expressly allow OPEB funding. We are working with attorneys and financing experts to learn more about the bonding process and how we can help our clients.

Our People

Van Iwaarden Associates was founded in 1991 by James A. Van Iwaarden. Since that time it has grown to become the largest independent actuarial consulting firm in the upper Midwest. Our team includes actuaries, analysts, licensed attorneys and office staff:

- James A. Van Iwaarden, FSA, EA, MAAA
- Brenda K. Hardy, ASA, EA, MAAA
- Mark Meyer, JD, FSA, CEBS
- Sandra Bruns, FSA, EA, MAAA
- Mark Schulte, FSA, EA, MAAA
- Peter J. Cullen, EA
- Emily M. Knutson, actuarial analyst
- Laura Pistotnik, actuarial analyst
- Christopher D. Juhlke, actuarial analyst
- Gina N. Ganab, actuarial analyst
- Carla Hinker, office administrator

Our core business is in three main practice areas: defined benefit pension plans, defined contribution plan design, and retiree medical plans. You can find out more about us at www.vaniwaarden.com.

Scope of the Engagement

We will perform the following services for the City:

1. **Actuarial Valuation - retiree medical** We will perform an actuarial valuation for the City of Mountain Iron to calculate the City's retiree medical liability for all employee groups who receive such coverage. The actuarial valuation will illustrate the total present value of all employee liabilities, the actuarial accrued liability (for GASB) and the annual required contribution (ARC under GASB). The valuation will also include projections of future cash flow requirements of the plan. We will work with you to develop actuarial assumptions used to calculate liabilities.
2. **Other** We will prepare other actuarial and consulting projects requested by you from time to time such as attending meetings, presentations, and miscellaneous consulting.

Fees and Hourly Billing Rates

The fees shown below include a 10% discount provided to members of the League of Minnesota Cities. They cover the services described above for the current fiscal year. In subsequent years, fees will be based on the time and expense required, or we can provide a new fee quote for later years.

Actuarial Valuation - retiree medical	\$4,900
---------------------------------------	---------

Time for all other projects, including meetings, presentations, and cleanup of incomplete or inaccurate data, will be billed at our normal hourly rates. For 2009, our rates range from \$75 per hour for administrators to \$265 for consultants. Bills are sent as often as monthly, and your payment is due within 30 days of the invoice date. Travel time (if it ever applies) will be billed at 50% of our regular rates. Out of pocket travel, printing, licensing or miscellaneous expenses will be passed on to you without markup.

You have the right to terminate our services at any time, subject to payment of accrued charges for work we have done through the date we receive notice. We will have the same right of termination (including termination for non-payment of fees and expenses), subject to our obligation to give the City reasonable notice.

Enclosed is a data request which outlines the census and plan information we will need in order to value the liabilities, based on our preliminary review of your plans. Feel free to call with any questions regarding the request.

April 14, 2009

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We trust that this proposal satisfactorily outlines our services and fees. If you have any questions, please feel free to contact me. Thank you again for considering Van Iwaarden Associates to assist you with this project.

Sincerely,



Sandra L. Bruns
Consulting Actuary

Acknowledgment and Consent

The undersigned authorized representative of the City of Mountain Iron has read this letter from Van Iwaarden Associates, understands its contents, and agrees on behalf of the City to the terms, conditions and fees set forth above.

Date: _____, 2009

By _____

Title _____

Data Request

We prefer to receive data electronically rather than hard copy with one line per employee.

Active Employees (include all employee groups, even if not eligible for City subsidized retiree medical)

- Name or other identifier
- Gender (M or F)
- Date of birth (mm/dd/yyyy)
- Date of hire (mm/dd/yyyy)
- Annual salary
- Employee group (i.e. police, fire, etc.) if different eligibility requirements apply to different employee groups
- Health plan code (to identify which health plan the employee has chosen if more than one health plan is offered)
- Health plan coverage code (i.e. no coverage, single coverage, family coverage)
- Dental plan code (to identify which dental plan the employee has chosen if more than one dental plan is offered)
- Dental plan coverage code (i.e. no coverage, single coverage, family coverage)

Retired Employees (please include retirees without City paid premiums along with subsidized retirees)

- Name or other identifier
- Gender (M or F)
- Date of birth (mm/dd/yyyy)
- Date of retirement (mm/dd/yyyy)
- Employee group (i.e. police, fire, etc.)
- Health plan code (to identify which health plan the employee has chosen if more than one health plan is offered)
- Health plan coverage code (i.e. no coverage, single coverage, family coverage)
- Dental plan code (to identify which dental plan the employee has chosen if more than one dental plan is offered)
- Dental plan coverage code (i.e. no coverage, single coverage, family coverage)
- Retiree contribution for health premiums
- Retiree contribution for dental premiums

Data Request – continued

Medical and Dental Premiums – Please provide the amount of the monthly premiums for 2007, 2008 and 2009. Also provide the current year's administration and stop-loss expenses on a per member basis (if applicable). If the City is part of a cooperative or not fully insured, please send the historical claims information. For insured plans please indicate whether the plan sponsored by the City is part of a cooperative purchasing group or whether it is insured individually. Include requested information for each plan if employees can choose from several plans. Provide separate premiums for Medicare-eligible retirees if applicable.

	Pre 65 Premiums			Post 65 Premiums		
	2007	2008	2009	2007	2008	2009
Retiree						
Retiree + Spouse						
Retiree + Family						
Per participant monthly administration charge						
Per participant monthly stop-loss charge						
Other charges per participant						

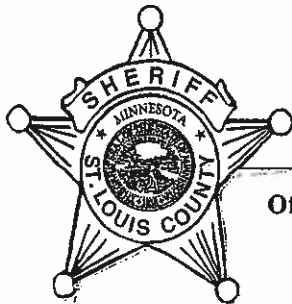
Medical and Dental Plan Descriptions - Please provide brief descriptions of all medical and dental plans the retirees may choose from, including post-Medicare supplement plans.

Employee Contracts – Please provide employee contracts outlining benefit amounts and eligibility.

Other Communications - If other employee communications are available that would help us to better understand the benefits provided, please provide these as well.

Fund Activity - If the retiree plan is funded with assets that are designated strictly for retiree health-related benefits, please provide a reconciliation of activity for the most recent plan year.

	Retiree Health Plans
1/1/2008 Fund Balance	
1/1/2008-12/31/2008 Contributions	
1/1/2008-12/31/2008 Distributions	
1/1/2008-12/31/2008 Investment Income	
12/31/2008 Balance	



Saint Louis County

Office of the Sheriff 8586 Enterprise Dr. S., Mt. Iron 55768
(218) 748-7578

Ross Litman
Sheriff

To: Mountain Iron Mayor and City Council
From: Sgt. John Backman *JB*
Re: March 2009 Statistics
Date: April 14, 2009

The Mountain Iron Office of the St. Louis County Sheriff reports the below listed activity for the month of March, 2009:

- 16 Disturbances (arguments, threats, unwanted persons, trespass, 911 hangup)
- 4 Public assists (car unlocks, roadside assistance, vehicle checks, patrol requests)
- 10 Suspicious persons/vehicles/circumstance
- 5 Motor vehicle crashes
- 4 Welfare checks, suicide threats, neglect/abandon children, runaway/lost/missing
- 9 Fire & medical
- 1 Drug related calls
- 1 Alarms
- 1 Assaults
- 0 Damage to property
- 4 Thefts
- 1 Burglary/attempted burglary
- 2 Parking Citations
- 21 Other calls (civil disputes, child custody, animal complaints, traffic complaints, warrant service, miscellaneous)
- 92 Traffic stops
 - 19 Traffic related citations
 - 4 DUI
- 21 Assists: 10 Sheriff's, 7 Virginia PD, 1 Other PDs, 1 MSP, 2 Probation
4 inside Mountain Iron

This activity resulted in 14 custodial arrests.



CITY OF MOUNTAIN IRON

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ORDINANCE NUMBER 04-09

GRANTING TO MINNESOTA POWER, ITS SUCCESSORS AND ASSIGNS, A FRANCHISE TO CONSTRUCT AND MAINTAIN AN ELECTRIC DISTRIBUTION AND/OR TRANSMISSION SYSTEM WITHIN THE CITY OF MOUNTAIN IRON, MINNESOTA

SECTION 1. ADOPTION OF FRANCHISE

- 1.1 **Grant of Franchise.** The City of Mountain Iron hereby grants to Minnesota Power, its successors and assigns, (hereinafter referred to as "Company") the right to enter upon and construct, operate and maintain upon the streets, alleys, highways and public grounds of the City, poles, wires, conductors, lines, cables, insulators, communication lines, bases, crossarms, braces, lamps, conduits, underground cables, transformers, and other usual appurtenances and appliances for transmitting and distributing electric power and energy, and for other compatible uses and applications, including but not limited to transmission of data and other information, telecommunications, and electric load dispatch and control. This Ordinance shall remain in effect for a period of twenty (20) years from and after passage of this Ordinance.
- 1.2 **Extension of Franchise.** The term of this franchise will automatically extend for successive one (1) year periods unless written notice of termination is provided by either party to the other at least ninety (90) days before the end of the then-current term.

SECTION 2. OPERATIONS; REGULATIONS.

- 2.1 **Provision of Service.** In consideration for the right to use the streets, alleys, highways and public grounds, the Company shall be prepared to and shall furnish twenty-four (24) hour, continuous electric service to consumers in that part of the Company's service territory that is located within the City, including the City, unless prevented by causes not within the Company's reasonable control.
- 2.2 **Regulations.** The services to be provided and the rates to be charged by the Company are subject to the laws of the State of Minnesota; and the rates, rules and regulations established from time to time by the Company, federal laws and regulations, and/or the Minnesota Public Utilities Commission (the "Commission").
- 2.3 **Standard of Care.** All poles, wires and other appliances shall be constructed and maintained by Company in as safe and secure a manner as reasonably possible; in such a manner so as not to unnecessarily interfere with the public use of the said streets, alleys, highways and public grounds; and subject to reasonable regulation by the City.

- 2.4 Tree Trimming. The Company may trim, remove, or apply herbicides to, any trees, shrubs and other vegetation in the streets, alleys, highways and public grounds of the City that interfere with the proper construction, operation, repair or maintenance of any of the Company's facilities.
- 2.5 Notice of Improvements. The City will give the Company reasonable advance written notice of plans for improvements to streets, alleys, highways or public grounds of the City where the City has reason to believe that the Company's facilities may affect or be affected by the improvement. The notice must contain: (i) the nature and character of the improvements, (ii) the streets, alleys, highways and public grounds of the City upon which the improvements are to be made, (iii) the extent of the improvements, (iv) the time when the City will start the work, and (v) the order in which the work is to proceed.
- 2.6 Vacation of Public Ways. The City must give the Company at least two (2) weeks notice, or such other notice as required by Minnesota law, of the proposed vacation of a public street, alley, or highway. The vacation of a public street, alley, or highway does not deprive the Company of its rights to operate and maintain the Company's facilities until the reasonable cost of relocating the same and the loss and expenses resulting from such relocation are first paid to Company by City. The City has the option, but not the obligation to specifically preserve a right-of-way in the manner permitted by Minnesota Statutes Section 160.29.
- 2.7 Other Property Rights of Company. The provisions of this Ordinance apply only to Company facilities constructed in reliance on this franchise and the Company does not waive or modify its rights under any easement, prescriptive right, state or county permit, or other real property interests that Company may have in any public way or in any public ground.

SECTION 3. INDEMNIFICATION

- 3.1 Liability of the City. The City shall in no way be liable or responsible for any accident or damage that may occur in the construction, operation and maintenance by the Company of its lines and appurtenances hereunder, except to the extent caused by the City.
- 3.2 Indemnification by Company. The acceptance of this Ordinance shall be deemed an agreement on the part of the Company to indemnify the City and hold it harmless against any and all liability, loss, damage or expense which may accrue to the City by reason of the neglect, default or misconduct of the Company in the construction, operation or maintenance of its facilities hereunder.

SECTION 4. FRANCHISE FEE

- 4.1 Separate Ordinance. During the term of the franchise hereby granted the City may require a franchise fee to be paid by the Company on its retail operations within the City in accordance with Minn. Stat. Section 216B.36. In the event the City determines that it wishes to proceed to implement such a fee, the City shall notify the Company and arrange to meet with representatives of the Company to discuss its plans for doing so and shall provide such representatives an opportunity to explain the impacts that such a fee would have on each rate class within the City. Any franchise fee must be imposed by a separate ordinance adopted by

the City Council, which ordinance may not become effective until at least thirty (30) days after the issuance of a written order from the Commission authorizing the Company to incorporate such fee within its rate schedule and thereby pass along the costs of such fee to Company's customers located within the City. The Company agrees to use its commercially reasonable efforts to obtain such Commission authorization.

- 4.2 Calculation of Fee. The City may impose the franchise fee The City may impose a franchise fee in any manner as provided for in Minnesota Statutes.
- 4.3 Collection of the Fee. The franchise fee will be payable not less often than quarterly during complete billing months of the period for which payment is to be made. The total amount of the franchise fee may not exceed the total amount that the Company may legally collect from its customers in relation thereto. The amount and origin of the fee will be separately identified on the Company's bills to its customers. The Company shall pay the City the franchise fee based upon the surcharge billed, subject to subsequent reductions to account for uncollectibles or customer refunds and as also reduced by the Company's reasonable out-of-pocket expenses incurred in connection with the imposition and collection of the franchise fee. The time and manner of collecting the franchise fee are subject to the approval of the Commission. The Company agrees to make available for inspection by the City at reasonable times, upon fifteen (15) business days' prior notice from the City, all records necessary to audit the Company's determination of the franchise fee payments.
- 4.4 Change in Fee. The franchise fee formula may be changed by ordinance from time to time; however, each change must meet the procedural requirements of Section 4.1 and may not be made more often than once every five (5) years.
- 4.5 Continuation and Discontinuation of Franchise Fee. If this franchise expires and the City and the Company are unable to agree upon terms of a new franchise, the franchise fee, if any, being imposed by the City at the time this franchise expires, will remain in effect until a new franchise is agreed upon. Except in the case of the City providing electric service, if another company provides electric service to any customer located within the City without paying a franchise fee to the City, then Company shall no longer be required to pay any franchise fee. Except in the case of the City providing electric service, the requirement that the Company pay a franchise fee will be reinstated only when equivalent franchise fees are imposed upon all electric service providers within the City. Company shall not be required to retroactively bill customers or otherwise compensate City for any fees which, but for this Section 4.5, would have been collected.

SECTION 5. PREVIOUS FRANCHISES SUPERSEDED

This Ordinance supersedes and cancels the City of Mountain Iron Ordinance No. 64, dated April 3, 1989, granting a permit to Company, which Ordinance was entitled "An Ordinance granting to Minnesota Power & Light Company, its successors and assigns, the right to construct and maintain an electric distribution and transmission system within the City of Mountain Iron, Minnesota." In the event that a provision of any other city ordinance conflicts with the provision of this Ordinance, the provisions of this Ordinance shall prevail.

SECTION 6. MEDIATION

The parties agree to promptly submit to mediation (within ten (10) working days of reaching an impasse) any dispute or controversy arising under this agreement that cannot be resolved by the parties through direct communication without mediation. The parties further agree to mediate in good faith. The mediator to be selected shall be listed on the Minnesota Roster of Neutrals and shall either be selected by the mutual agreement of the parties or by each party submitting a list of up to three (3) qualified mediators and then alternately striking names. The parties shall flip a coin to determine which party shall strike the first name. The parties shall equally share the costs of mediation. This procedure shall be followed before either party may file an action/complaint with a court of competent jurisdiction or any regulatory agency.

SECTION 7. EFFECTIVE DATE.

This Ordinance shall be effective according to State Statute.

DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF APRIL, 2009.

Mayor Gary Skalko

Attested:

City Administrator

The provisions of the foregoing Ordinance are hereby accepted:

DATED _____, 2009.

MINNESOTA POWER

By: _____
Its Vice President

By: _____
Its Secretary



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 15-09

ACCEPTING BID

WHEREAS, pursuant to an advertisement for bids for the improvement of the entire length of Agate Street by replacement of storm sewer, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Ulland Brothers	\$86,460.00
Hammerlund Construction	\$64,576.55
Bougalis Construction	\$73,702.50
Casper Construction	\$71,932.00
Utility Systems of America	\$64,240.50
Hibbing Excavating	\$66,146.00
C&C Winger	\$90,787.00
Jola & Sopp Excavating	\$69,719.00
Mesabi Bituminous	\$54,937.00
KGM Contractors	\$67,501.50
Construction Services	\$89,382.00
Rahm Construction	\$78,000.00
Low Impact Excavators	\$107,038.40

AND WHEREAS, it appears that Mesabi Bituminous of Gilbert, Minnesota is the lowest responsible bidder,

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

1. The Mayor and City Administrator are hereby authorized and directed to enter into the attached contract with Mesabi Bituminous of Gilbert, Minnesota in the name of the City of Mountain Iron for the improvement of the entire length of Agate Street by replacement of storm sewer according to the plans and specifications therefore approved by the City Council and on file in the Office of the City Administrator.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF APRIL, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261
Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

April 14, 2009

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

Re: Agate Street Storm Sewer Improvements
City of Mountain Iron
Project No. MI09-05

Dear Mr. Wainio,

Bids were received on April 14, 2009 for the above referenced project. A total of thirteen (13) bids were received and upon tabulation the low bidder for the project is Mesabi Bituminous, Inc. A copy of the bid tabulation is enclosed.

If the City of Mountain Iron intends to award at its April 20, 2009 City Council meeting, it is recommended that you award the bid to Mesabi Bituminous, Inc. in the amount of **\$54,937.00**.

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.

Eric E. Fallstrom, P.E.

Enclosures



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RESOLUTION NUMBER 16-09

RECEIVING REPORT AND CALLING HEARING ON IMPROVEMENT

WHEREAS, pursuant to Resolution Number 14-09 of the City Council adopted April 6, 2009, a report has been prepared by Benchmark Engineering with reference to the improvement of Mill Avenue between the centerline of Agate Street and the centerline of Mountain Avenue by overlayment and this report was received by the City Council on April 20, 2009, and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; and the estimated cost of the improvement as recommended.

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

1. The City Council will consider the improvement of such streets in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$45,000.
2. A public hearing shall be held on such proposed improvement on the 4th day of May, 2009, in the Mountain Iron Room of the Community Center at 6:30 p.m. and the City Administrator shall give mailed and published notice of such hearing and improvement as required by law.

DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF APRIL, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
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Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

April 15, 2009

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

Re: City of Mountain Iron
Mill Avenue
Feasibility Report
MI09-09

Dear Mr. Wainio;

Enclosed please find one (1) copy of the Mill Avenue feasibility report for approval at your next scheduled City Council meeting. It was requested by the Street Committee to evaluate Mill Avenue, from Agate Street to Mountain Avenue.

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.

Eric E. Fallstrom, P.E.

Enclosures



**FEASIBILITY REPORT
FOR
MILL AVENUE
CITY OF MOUNTAIN IRON, MINNESOTA**

**BENCHMARK ENGINEERING INC.
PROJECT NO. MI09-09**

PREPARED BY:

**BENCHMARK ENGINEERING, INC.
8878 Main Street • P.O. Box 261 • Mt. Iron, MN 55768-0261
(218) 735-8914 Telephone • (218) 735-8923 Fax**

Prepared by:

Signature 

Printed Name Alan J. Johnson, E.I.T.

Date 4/15/09

I hereby certify that this specification or report was prepared by me, or under my supervision, and that I am a duly licensed Professional Engineer, under the laws of the State of Minnesota.

Signature 

Printed Name Eric E. Fallstrom, P.E.

Date 4/15/09

License No. 40351

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OPINION OF COST SUMMARY

SUMMARY

ATTACHMENTS

- APPENDIX A: AREA LOCATION MAP
- APPENDIX B: DETAILED COST ESTIMATES

BACKGROUND

On April 6, 2009, the Mountain Iron City Council authorized Benchmark Engineering, Inc. to report on the proposed improvement to improve a segment of Mill Avenue in Downtown Mountain Iron. The segment of Mill Avenue under consideration is from Agate Street southerly to Mountain Avenue. Benchmark Engineering, Inc. is to report if the proposed improvement is cost-effective, feasible and a cost estimate of the proposed improvement as recommended.

In order to improve this segment of Mill Avenue the City has requested Benchmark Engineering, Inc. to evaluate a cost-effective improvement for this street segment. The purpose of this study is to determine the feasibility of improving this street segment by one of the two options:

- 1.) Overlaying the street
- 2.) Reconstructing the street

In addition, we will evaluate whether it is feasible to improve the street in connection with some other improvement (i.e., underground utilities, adjacent street projects).

EXISTING CONDITIONS

Based upon a field review and input from City Staff of Mill Avenue, the existing conditions were determined. Mill Avenue generally runs north and south, however, the southerly portion of this street turns southeasterly/northwesterly. The portions of this street that travel southeasterly/northwesterly generally follow an abandoned rail grade. Steep banks convey stormwater on the street right of way and into a small ditch on the southerly edge of the street. This section of Mill Avenue has no ditch present along the north side. The remaining section of interest of Mill Avenue generally is the north/south portion from the abandoned railroad grade to Agate Street.

Mill Avenue is a local street and vehicles owned by people who live adjacent to this street generate a majority of vehicles trips. Only a small number of trips by heavy vehicles, garbage trucks and plows, are expected to found on this street. Typical City of Mountain Iron assessment policies would apply to this local street.

Mill Avenue has a gravel base of unknown thickness, so the condition is based only on surface appearance. It is assumed that the last major improvement to this street was 20 or more years ago. Several small potholes have given the gravel surface a bumpy or washboard feel. Currently the alley may have several minor drainage problems. Drainage appears to be slow, due to flatter sloping yards and elevations of the street adjacent to the yards. The south end of this segment receives water from a bank, which drains to the street area. This area of the street is higher than the adjacent yards, however parts of the yards appear to drain easterly towards Mountain Avenue.

Portions of this gravel street appear to trap water near the edge of the street, however, the north half of this selected street segment appears to have adequate drainage. The middle portion of this segment appeared to hold a small amount of water during a site visit. A catch basin is present near the middle of this segment and appears to drain to the west into an overgrown ditch. This ditch travels parallel to the abandoned railroad grade. Currently, the City Public Works Department periodically adds Class V to the surface of the street and grades when needed.

Existing utilities are present in this street segment. There is an 8" sanitary sewer main, a 4" watermain, storm sewer and gas lines. To the best of our knowledge and from City Staff input, all utilities are in working order and do not need immediate repairs.

A future project in the area includes Agate Street Storm Sewer Improvements. This project will replace the storm sewer main along the south side of Agate Street. This project is intended to improve the condition of the Downtown Storm Sewer Interceptor along Agate Street. Portions of Mill Avenue would convey storm water into this improved drainage system via a ditch that generally follows the bank to Agate Street. Cleaning and/or regrading this ditch could improve the drainage of yards adjacent to Mill Avenue.

RECOMMENDED REPAIRS / REHABILITATION

The recommended repairs/rehabilitation are developed based upon input from the City Council, City Staff, and a recommendation of typical street and alley improvements. Various drainage areas and utility conditions were considered in developing the conceptual plan options.

Bituminous Overlay:

Based on the information of the underground utilities and the scope of the study, it is our opinion that it would not be feasible to completely replace the utilities at this time. The City Public Works Department should plan to address any persistent utility maintenance problems within the scope of any project planned for a particular alley segment. The utilities should be reevaluated when necessitated by any overall downtown expansion or economic development project.

Overlaying Mill Avenue with minor grading work would be the least costly alternative. This alternative would maintain the existing drainage patterns and should not impact any small drainage problems. A bituminous overlay of this area would be best completed along with grading high areas and filling low areas of Mill Avenue in this segment. A topographic survey would be required to make any changes to the existing grades of the street.

For this study it is estimated that Mill Avenue would need approximately 4" of Class V aggregate to improve the alley prior to a bituminous overlay. At a minimum, the bumps

and potholes shall be graded smooth prior to a bituminous overlay. An overlay would provide a smoother surface, however, subgrade problems may eventually find their way to the surface. No extreme subgrade problems were visible in April 2009. Subgrade correction would greatly extend the life of the bituminous surface. With an overlay project, class V or bituminous is added to adjacent driveways to blend them into the newly paved street.

The life expectancy of a bituminous overlay is approximately 10-15 years with regular maintenance properly performed. This life expectancy is easily reached in many cities in Northern Minnesota on similar streets provided limited heavy vehicle usage.

Total Reconstruction:

A total reconstruction of this alley would give a longer life to any bituminous placed in these areas. This option will be evaluated for Mill Avenue since it would be cost effective in the overall life span of the street. A comparison of the cost difference is also a factor evaluating between an overlay and a complete reconstruction of a specific alley Area. A typical street reconstruction project gives a life expectancy of 20-25 years with annual maintenance. A topographic survey will be required to design the alley in order to promote positive drainage away from the homes and into the storm sewer system present in this alley.

A recommended typical low volume street or alley reconstruction section consists of removal of approximately 9-12" of material, placement of geotextile fabric, 9" of Class V and 3-4" of bituminous. In most cases, these segments are reconstructed with an inverted crown in order to convey drainage away from adjacent yards and into Streets and Avenues where catch basins and storm sewer infrastructure are present. Minor storm sewer work will likely be involved with this future improvement. Storm sewer work could include grading and ditch cleaning.

OPINION OF COST SUMMARY

OPTION	COST
COST TO OVERLAY	\$27,791.60
COST TO RECONSTRUCT	\$43,985.50

SUMMARY

The City Council of Mountain Iron asked that Benchmark Engineering study the feasibility of overlaying Mill Avenue or improving the street conjunction with another improvement. Based on the difference in cost, condition of Mill Avenue, input from City staff, and experience with similar projects; this street was evaluated to determine what is the most feasible improvement for this area.

Either the overlay or the complete reconstruction would be viable repair options for Mill Avenue. It is our recommendation that the residents, who will bear the bulk of the costs based upon the assessment policy, and the City Staff provide input as to which repair option, if any, to pursue.

The cost for a bituminous overlay of this segment of Mill Avenue is approximately \$28,000. The cost for a complete reconstruction of this segment of Mill Avenue with minor drainage improvements would be approximately \$44,000. This would create a longer life span of the bituminous placed in this street.

For a project of this size, it is recommended that this work be completed in conjunction with another City project, which has a quantity of bituminous work. This will allow for competitive bituminous paving prices should the project be combined with an overall City street improvements project. If the residents and City Council decide to complete the project in 2009, it is suggested to include this work with the Old Highway 169 overlay project.

It is our opinion that based upon the information provided; the proposed street reconstruction/rehabilitation work is feasible. Any known utility problems should be addressed prior to the start of any improvement to this street segment.



ENGINEER'S ESTIMATE OF QUANTITIES AND OPINION OF COST
MILL AVENUE FEASIBILITY STUDY
MOUNTAIN IRON, MINNESOTA
PROJECT NO:MI09-09

MILL AVEUNE - OVERLAY COST

SPEC. NO.	ITEM	UNITS	PROJECT QUANTITIES	ITEM COST	TOTAL AMOUNT
2211.503	AGGREGATE BASE (CV) CL. 5	CU. YD.	115.0	\$20.00	\$2,300.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE B	TON	100.0	\$65.00	\$6,500.00
2350.502	TYPE LV3 NON-WEARING COURSE MIXTURE B	TON	149.0	\$60.00	\$8,940.00
2506.516	ADJUST CASTING ASSEMBLY	EACH	4.0	\$500.00	\$2,000.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	1.0	\$1,000.00	\$1,000.00

ESTIMATED CONSTRUCTION COST: \$20,740.00
 CONTINGENCY (15%): \$3,111.00
 ENGINEERING - DESIGN & CONSTRUCTION: \$3,940.60

ESTIMATED PROJECT COST: \$27,791.60



ENGINEER'S ESTIMATE OF QUANTITIES AND OPINION OF COST
 MILL AVENUE FEASIBILITY STUDY
 MOUNTAIN IRON, MINNESOTA
 PROJECT NO:MI09-09

MILL AVENUE - RECONSTRUCTION COST

SPEC. NO.	ITEM	UNITS	PROJECT QUANTITIES	ITEM COST	TOTAL AMOUNT
2104.501	MISCELLANEOUS REMOVALS	LUMP SUM	1.0	\$2,000.00	\$2,000.00
2105.501	COMMON EXCAVATION	CU. YD.	350.0	\$10.00	\$3,500.00
2211.503	AGGREGATE BASE (CV) CL. 5	CU. YD.	260.0	\$20.00	\$5,200.00
2105.604	GEOTEXTILE FABRIC TYPE V	SQ. YD.	1,050.0	\$2.50	\$2,625.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE B	TON	100.0	\$65.00	\$6,500.00
2350.502	TYPE LV3 NON-WEARING COURSE MIXTURE B	TON	150.0	\$60.00	\$9,000.00
2506.516	ADJUST CASTING ASSEMBLY	EACH	4.0	\$500.00	\$2,000.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	1.0	\$2,000.00	\$2,000.00

ESTIMATED CONSTRUCTION COST: \$32,825.00
 CONTINGENCY (15%): \$4,923.75
 ENGINEERING - DESIGN & CONSTRUCTION PHASE: \$6,236.75

ESTIMATED PROJECT COST: **\$43,985.50**



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261
Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

April 15, 2009

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

Re: City of Mountain Iron
WWTP Improvements
MI09-02

Dear Mr. Wainio;

Enclosed please find one (1) copy of the bid opening form along with a letter from Bonestroo regarding the final clarifier equipment. Bids were opened on April 13th, 2009 at 2pm. Please proceed with awarding the equipment procurement to Walker Process Equipment, as outlined in the attached letter from Bonestroo.

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.

Eric E. Fallstrom, P.E.

Enclosures

April 14, 2009



Joe Palo
Benchmark Engineering
8878 Main Street
P.O Box 261
Mountain Iron, MN 55678-0261

Re: Mountain Iron WWTP Improvements
City of Mt. Iron
Bonestroo File No.: 02540-09002-0

Dear Joe:

This letter includes our recommendations concerning the bids received for the Final Clarifier Equipment Procurement for the City of Mountain Iron.

Bids were received on Monday, April 13, 2009 for procurement of final clarifier equipment by the City of Mountain Iron for installation at the Mountain Iron wastewater treatment facility under a separate contract. Bids were received from Eimco Water Technologies and from Walker Process Equipment. Based on our review of the bids received we recommend the City award the equipment procurement to Walker Process Equipment for the amount of \$149,300 and proceed with promptly issuing a purchase order for the equipment. Delivery of this equipment is expected to take about 6 months from the date the manufacturer receives the equipment order.

Please contact me at 651-967-4651 if you have any questions or comments. Thank you,

Sincerely,

BONESTROO

A handwritten signature in black ink, appearing to read "T. G. Dye", written over the printed name.

Thomas G. Dye, P.E.
Project Manager



BID OPENING FORM

BID OPENING DATE: April 13, 2009 **TIME:** 2:00 PM (local time)

FINAL CLARIFIER EQUIPMENT

Project No. MI09-02

Bonestroo Project Number: 002540-09002-1

City of Mountain Iron, MN

BIDDER	BID SECURITY	BASE BID PRICE	"Or Equal" BID PRICE
Construction Services, Inc.			
Eimco Water Technologies	YES	\$151,707.00	-----
HD Supply Waterworks			
Vessco, Inc.			
Walker Process Equipment	YES	\$149,300.00	-----



 Benchmark Engineering, Inc.



**A R C H I T E C T U R A L
R E S O U R C E S • I N C .**

April 13, 2009

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

**MOUNTAIN MANOR APARTMENT REMODEL
ARI Project # 08-068**

Dear Craig:

Enclosed are three copies of Change Order #3 as an addition to the contract of H. G. Harvey Constructors, Inc., for the above referenced project. Please have all copies signed, retain one copy for your files and return the others to this office. Thank you.

Sincerely,

ARCHITECTURAL RESOURCES, INC.

Patty Winchester
Administrative Assistant

pw

enc

ARCHITECTURE • ENGINEERING • LANDSCAPE ARCHITECTURE • INTERIOR DESIGN

704 EAST HOWARD STREET • HIBBING, MN 55746
TEL 218-263-6868 • FAX 218-722-6803
email:archres@arimn.com • web site:www.arimn.com

AIA[®] Document G701[™] – 2001

Change Order

PROJECT <i>(Name and address):</i> Mountain Manor Apartment Remodel	CHANGE ORDER NUMBER: 003 DATE: April 09, 2009	OWNER: <input type="checkbox"/>
TO CONTRACTOR <i>(Name and address):</i> H. G. Harvey Constructors, Inc. P.O. Box 558 Eveleth, MN 55734	ARCHITECT'S PROJECT NUMBER: 08-068 CONTRACT DATE: November 07, 2008 CONTRACT FOR: Complete Construction	ARCHITECT: <input type="checkbox"/> CONTRACTOR: <input type="checkbox"/> FIELD: <input type="checkbox"/> OTHER: <input type="checkbox"/>

THE CONTRACT IS CHANGED AS FOLLOWS:

(Include, where applicable, any undisputed amount attributable to previously executed Construction Change Directives)
 Labor and material to install a synthetic carpet pad over the existing floor to install the carpet as shown on drawings as per attached letter dated 3/3/09; add the sum of \$720.00 (seven hundred twenty dollars).

The original Contract Sum was	\$ 86,900.00
The net change by previously authorized Change Orders	\$ 3,110.00
The Contract Sum prior to this Change Order was	\$ 90,010.00
The Contract Sum will be increased by this Change Order in the amount of	\$ 720.00
The new Contract Sum including this Change Order will be	\$ 90,730.00

The Contract Time will be unchanged by () days.
 The date of Substantial Completion as of the date of this Change Order therefore is

NOTE: This Change Order does not include changes in the Contract Sum, Contract Time or Guaranteed Maximum Price which have been authorized by Construction Change Directive until the cost and time have been agreed upon by both the Owner and Contractor, in which case a Change Order is executed to supersede the Construction Change Directive.

NOT VALID UNTIL SIGNED BY THE ARCHITECT, CONTRACTOR AND OWNER.

Architectural Resources, Inc. ARCHITECT <i>(Firm name)</i>	H. G. Harvey Constructors, Inc. CONTRACTOR <i>(Firm name)</i>	City of Mt. Iron OWNER <i>(Firm name)</i>
704 East Howard Street Hibbing, MN 55746 ADDRESS	P.O. Box 558 Eveleth, MN 55734 ADDRESS	8586 Enterprise Drive South Mt. Iron, MN 55768 ADDRESS
 BY <i>(Signature)</i>	 BY <i>(Signature)</i>	 BY <i>(Signature)</i>
Norm Carlsen, Project Manager <i>(Typed name)</i>	Richard H. Harvey, Jr. <i>(Typed name)</i>	Craig Wainio, Administrator <i>(Typed name)</i>
04-13-09 DATE	04/10/09 DATE	 DATE



Quality Construction Services Since 1962



March 3, 2009

Mr. Norm Carlsen
Architectural Resources, Inc.
704 East Howard Street
Hibbing, MN 55746

Re: Synthetic Carpet Pad
Mountain Manor Apartment Remodel – Mt. Iron, MN

Dear Norm,

After a site visit 2/26/09 by Mark Dorholt, he has determined that the glue-down carpet specified will not adhere to the existing floor in the condition it is in. He recommends applying a synthetic carpet pad over the existing floor and using tack strips at the edges in lieu of direct glue-down.

Subcontractor	\$644.00	
10% OH & P	65.00	
Bond	<u>11.00</u>	
Total cost		\$720.00

Please advise how we are to proceed. Contact me with any questions you may have.

Thank you.

Sincerely,

H. G. HARVEY CONSTRUCTORS, INC

Jamie Pucel

Encl.



COUNCIL LETTER 042009-VIF

ED ROSKOSKI

SUMMER EMPLOYMENT PROGRAM

DATE: April 15, 2009

FROM: Councilor Ed Roskoski

Craig J. Wainio
City Administrator

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

One may have noticed on the Channel 7 Community Bulletin Board, plus some ads in the Manney Shopper and Mesabi Daily News, that the City is advertising for summer workers under the titles "Summer Labor Opportunities" and "Summer Temporary Labor". In the past, the City Auditor stated, "to keep everything legal, the City Council should first vote to authorize any programs before running any ads". It's a little late but to cover ourselves the Council should vote for the program and state various specifics.



Craig -
put under
Communications
Guy

April 1, 2009

Gary Skalko
City of Mt. Iron
8586 Enterprise Dr. S.
Mt. Iron MN 55768

Dear Gary:

On behalf of the entire Prebeg family, we want to personally thank you for your support of the 7th Annual Mark "Bush" Prebeg Memorial Snowmobile Ride held on February 21st. It was another successful ride and we really appreciate the support especially in this struggling economy. The event this year raised more than \$37,000 and we had a record 255 participants!

As you know, the snowmobile ride is supporting the work of the Diabetes Center at VRMC. Since its inception, the center has served more than 1,300 patients from as young as two years old to a ninety-five year old. Programs include:

- Diabetes Self Management Training Program – DSMT
- Medical Nutrition Therapy - MNT
- Exercise/Nutrition Maintenance Program
- Diabetes in Youth program
- Diabetes & Pregnancy Program
- Inpatient Diabetes Care Program

The mission of the Diabetes Center is to *enhance the quality of life for diabetes patients and their families living across the Iron Range through education, training, nutrition counseling and specialized fitness programs*. Thanks for helping the center fulfill its mission by supporting our ride. See you next year!

Warm Regards,

Joe Prebeg

Mary Hilfers

Lisa Zgaynor

Jon Prebeg

Dan Prebeg

P.S. Don't forget to mark your calendars for February 20, 2010 for the 8th Annual Bush Prebeg Memorial Ride!

COUNCIL LETTER 042009-VIH0
NEGOTIATIONS COMMITTEE
CLOSED MEETING

DATE: April 15, 2009
FROM: Negotiations Committee
Craig J. Wainio
City Administrator

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