

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, MAY 15, 2006 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
- II. Consent Agenda
  - A. Minutes of the May 1, 2006 Regular Meeting (#1-23)
  - B. Communications (#51-60)
  - C. Receipts
  - D. Bills and Payroll
- III. Public Forum
- IV. Committee and Staff Reports
  - A. Mayor's Report
    - 1. Unity Second Addition (#24)
    - 2. Highway 53 Funding Request (#25)
    - 3. Labor Management Committee Meeting (#26)
  - B. City Administrator's Report
  - C. Director of Public Works Report
    - 1. Generator Quotes (#27-28)
    - 2. Equipment Disposal (#29)
    - 3. Power Pole Purchase (#30)
    - 4. I/I Plan (#31)
  - D. Director of Parks and Recreations Report
    - 1. Summer Staff (#32)
    - 2. Summer Employment Wages (#33)
    - 3. Community Center Picnic Tables (#34)
  - E. Sheriff's Department Report (#35)
  - F. City Engineer's Report
  - G. City Attorney's Report
    - 1. City Contributions (#36-41)
  - H. Liaison Reports
- V. Unfinished Business
  - A. Resolution Number 10-06 Sale of Property (#42-44)
- VI. New Business
  - A. Resolution Number 16-06 Receiving Report and Calling a Hearing (#45-47)
  - B. Request for Sale of Property (#44-49)
  - C. Communications (#51-60)
- VII. Open Discussion
- VIII. Announcements
- IX. Closed Meeting (#50)
- X. Adjourn

# Denotes page number in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
MAY 1, 2006

Mayor Skalko called the City Council meeting to order at 6:32 p.m. with the following members present: Joe Prebeg, Jr., Allen Nelson, Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Larry Nanti, Recreation Director; Wade Rasch, Sergeant; and Rod Flannigan, City Engineer (entering at 6:52 p.m.).

The Mayor welcomed the audience to the meeting. He said that he could not welcome the television viewers because the television personal was not in attendance at the meeting.

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:
  - VI. D. Resolution 15-06, Approving Amendments to Transfer Agreement
  - IV. I. 2. Street & Alley Committee – Street Assessment PolicyMove the following items on the agenda:
  - VI. B. Resolution 13-06 to IV. H. 3.
  - VI. D. Locomotive Park Sign to IV. A. 2.
2. Approve the minutes of the April 17, 2006, City Council meeting with the following corrections:

“Page 5, Paragraph 4, ...behind the Bbrunt dumps....  
“Page 5, Paragraph 5, ....on the table for discussion regarding the former Ann’s Acres Water Company parcel ...  
Page 6, Paragraph 2, .....looks ~~worst~~ worse with all of .....
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 April 16-30, 2006, totaling \$97,528.81, (a list is attached and made a part of these minutes).
5. To authorize the payments of the bills and payroll for the period April 16-30, 2006, totaling \$301,971.50, (a list is attached and made a part of these minutes).

At 6:38 p.m., the Mayor Skalko left the meeting.

At 6:40 p.m., the Mayor Skalko returned to the meeting.

The motion carried unanimously on a roll call vote.

At 6:41 p.m., it was moved by Nelson and supported by Prebeg to recess the regular meeting and open the public hearing regarding the street vacations in the North Parkville area. The motion carried.

The City Administrator stated that a petition was received from Great Northern Iron Ore Properties for the vacation of Streets and Avenues in the plat of Parkville Second and Third Addition. He further stated that none of the Streets or Avenues were ever developed or built.

At 6:42 p.m., it was moved by Nelson and supported by Skalko to close the public hearing and reconvene the regular meeting. The motion carried.

The Mayor stated that a list was distributed indicating the Library Board's priority list for work to be completed at the Library. The list is as follows:

1. wiring/electrical update
2. interior painting on both levels
3. air conditioning
4. computer upgrades/work station furniture
5. heating system
6. library furniture
7. carpeting

The Mayor advised the Council that he received a letter from Saint Louis County regarding a railroad car traveling through Saint Louis County. He said that the deadline for submitting information was Friday, May 5, 2006. The Recreation Director said that he would seek additional information regarding the matter.

It was moved by Skalko and supported by Prebeg to authorize City Staff to negotiate to get a contractor to paint the locomotive. The motion carried.

It was moved by Skalko and supported by Nelson to direct Bob Manzoline, Director of the Saint Louis County Regional Rail Authority, to remove the sign currently placed on the Mesabi Trail and replace the sign with a new one stating, "that the first lynching in Saint Louis County occurred in Mountain Iron on May 5, 1893, and state that for more specific information the public can go to the City's web page [www.mtniron.com](http://www.mtniron.com) or go to the Mountain Iron Public Library". The motion carried.

The Mayor advised the Council that Ed Roskoski, William Buria, and Ted Newberg had volunteered to work with Mr. Manzoline to add more historic signs to the Mesabi Trail.

Councilor Nelson requested that the Assistant Library position be moved up on the agenda.

It was moved by Nelson and supported by Prebeg to accept the recommendation of the Library Board and to hire Laura Nieters for the temporary position of Assistant Librarian and authorize the execution of the memorandum of understanding between the City of Mountain Iron, Mountain Iron Library Board, and AFSCME Local 453, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Irish and supported by Roskoski to direct City Staff to prepare a pre-application for a Community Development Block Grant for carpeting and playground equipment for the Mountain Manor for a total grant application of \$50,000. After further discussion, Councilor Irish amended the motion to also include air conditioning in the application. Councilor Roskoski supported the amendment. The amended motion carried.

It was moved by Skalko and supported by Prebeg to increase the 2006 appropriation for the Calvary Cemetery Association to \$3,000 and the Greenwood Cemetery Association to \$3,000. After further discussion, Skalko amended his motion to include contacting the City Attorney to seek his recommendation, in writing, whether the increased contribution was legal. Prebeg supported the amendment. The amended motion carried unanimously on a roll call vote.

The Director of Public Works advised the Council that the Inflow/Infiltration Plan was in a large book and he did not copy it for the Council due to the length. He said if anyone wanted to review the plan that it was available at the Mountain Iron City Hall. Councilor Roskoski took the plan to review.

It was moved by Nelson and supported by Skalko to authorize City Staff to seek quotes for the replacement of one 85 Kw standby emergency generator to be installed at the Mud Lake Lift Station. The motion carried.

Councilor Irish felt that the generator should go to the Utility Advisory Board for a recommendation to the Council.

It was moved by Skalko and supported by Prebeg to authorize the Recreation Director to seek quotes for two new docks at the West Two Rivers Campground. The motion carried.

The Recreation Director advised the Council that the South Grove Park equipment was delivered in February and was currently in storage and would be installed the first week of June.

At 7:45 p.m., Councilor Prebeg left the meeting.

Councilor Roskoski asked the City Engineer if he had the traffic count that was completed on Unity Drive. The City Engineer said that he would forward the traffic counts completed on Unity Drive and Southern Drive to the City Council to review.

At 7:48 p.m., Councilor Prebeg returned to the meeting.

It was moved by Irish and supported by Skalko to seek quotes on asphalt crack sealing for 2006 in the amount of \$10,000. The motion carried.

It was moved by Skalko and supported by Prebeg to adopt Resolution Number 13-06, Ordering Preparation of Report of Improvement, (a copy is attached and made a part of these minutes). The motion carried.

During the liaison reports, Councilor Roskoski expressed concern with notification of meetings for the Library Board. The Mayor advised Councilor Roskoski to personally contact the new Librarian with regard to the issue.

During the liaison reports, Councilor Roskoski reported from the Street and Alley Committee and said that the Committee reviewed the City's current street assessment policy. Councilor Roskoski said that it was unanimous with the Committee to leave the present street assessment policy in place.

It was moved by Skalko and supported by Prebeg to direct City Staff to seek discussion talks with the City of Virginia regarding a possible land exchange of the 16<sup>th</sup> Avenue area for the Briarwood Estate area. The motion carried with Councilors Irish and Roskoski voting no.

It was moved by Roskoski and supported by Irish that the following information regarding the 16<sup>th</sup> Avenue South area, also called Hopper, becomes part of the public record and be taken into consideration in regard to any land sale, swap or exchange:

1. there are presently six businesses in that area, employing over 65 people;
2. one business in that area has been granted Jobz Zone status with a potential of 12 additional new jobs;
3. at today's tax rate, which is lower than it used to be in the past, this area has paid over a 30 year period \$163,500 to the City of Mountain Iron;
4. there is over three acres of undeveloped highway frontage land available for development in that area;
5. specific services rendered to that area by the City of Mountain Iron include: once a year street sweeping which takes two hours; once a year curb painting which takes one hour; snow plowing which takes approximately 15 minutes each time; and
6. that the City Attorney review all necessary statutes as to the procedures that the City has to follow to sell, swap, exchange, annex, or give away land within its corporate boundaries. Such information will be made available to all Councilors before the City goes forward with any 16<sup>th</sup> Avenue South area proceedings. The clarification is that we, as Councilors and City Staff, should have all of the statutes and information that we would need and what the procedures are potentially from the start to the finish.

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

It was moved by Skalko and supported by Nelson to adopt Resolution Number 15-06, Approving Amendment to Transfer Agreement, (a copy is attached and made a part of these minutes). The motion carried with Councilors Irish and Roskoski voting no.

It was moved by Skalko and supported by Prebeg to adopt Resolution Number 12-06, Vacating Streets in Parkville 2<sup>nd</sup> and 3<sup>rd</sup> Additions, (a copy is attached and made a part of these minutes). The motion carried with Councilors Roskoski voting no and Councilor Irish not voting.

It was moved by Skalko and supported by Nelson to adopt Resolution Number 14-06, Application for a Grant for Unity Drive, (a copy is attached and made a part of these minutes). The motion carried with Councilors Roskoski and Irish voting no.

At 8:31 p.m., Councilor Nelson left the meeting.

At 8:33 p.m., Councilor Nelson returned to the meeting.

It was moved by Skalko and supported by Prebeg to direct the City Engineer to begin a feasibility report to look at developing a simple layout for Unity Second Addition. After further discussion, Mayor Skalko withdrew his motion and requested that this item be placed on the May 15<sup>th</sup> City Council agenda under Mayor's Report, Feasibility Report for Unity Second Addition.

It was moved by Roskoski and supported by Skalko to direct City Staff to secure the necessary information for the City Council to obtain dial-a-ride service in the Mountain Iron area. The motion carried.

It was moved by Roskoski and supported by Irish that now, that Minntac has made its long range plans for the Parkville area for the years 2035 through 2055 available to the public, that the Mountain Iron City Council put together a neighborhood meeting for the Parkville residents. Invited and ask to attend, Representatives from the Minerals Division of the Department of Natural Resources, St. Louis County Officials, Minntac Officials, and the City Council members. The **motion failed** with Mayor Skalko and Councilors Nelson and Prebeg voting no.

It was moved by Nelson and supported by Skalko to direct City Staff to send a letter to Parkville residents to notify them that the Department of Natural Resources map would be available to review at the Mountain Iron City Hall showing the long range mining plans for the Parkville area. The motion carried.

The Council reviewed the list of communications.

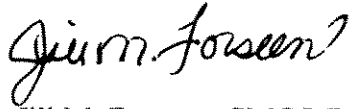
At 8:48 p.m., it was moved by Skalko and supported by Prebeg to recess the regular meeting and open the closed meeting to discuss contract negotiations strategies with AFSCME Local Union #453. The motion carried.

At 8:48 p.m., the Mayor recessed the meeting

At 9:00 p.m., the Mayor convened the closed session.

At 10:00 p.m., it was moved by Roskoski and supported by Nelson that the meeting be adjourned. The motion carried.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA  
Municipal Services Secretary

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

#### COMMUNICATIONS

1. Coalition of Greater Minnesota Cities, forwarding the April 20, 2006 brief.
2. League of Minnesota Cities, forwarding the April 21, 2006, Friday Fax.
3. Minnesota Department of Transportation, advising the City that the Mountain Iron-Buhl High School to Merritt Elementary School Trail Project was not recommended for Transportation Enhancement funding for fiscal year 2009.
4. Minnesota Department of Transportation, advising the City that the Merritt Elementary School to the Mesabi Family YMCA and Beyond Trail Project was not recommended for Transportation Enhancement funding for fiscal year 2010.

## Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	52,248.14
METER DEPOSITS	ELECTRIC	2,750.00
METER DEPOSITS	WATER	15.00
MISCELLANEOUS	ASSESSMENT SEARCHES	60.00
LICENSES	ANIMAL	25.00
MISCELLANEOUS	REIMBURSEMENTS	1,454.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	450.00
COPIES	COPIES	.25
PERMITS	BUILDING	663.60
BUILDING RENTALS	COMMUNITY CENTER	350.00
MISCELLANEOUS	BASEBALL/SOFTBALL FEES	1,015.00
FINES	CRIMINAL	1,264.21
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	198.61
MISCELLANEOUS	FILING FEES	55.00
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	249.88
SPECIAL ASSESSMENTS	INTEREST-SP.ASSESS.-BONDS ISSU	5.09
MISCELLANEOUS	CABLE TV FRANCHISE FEE	5,208.55
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	28,613.88
CAMPGROUND RECEIPTS	FEES	90.00
MISCELLANEOUS	COCA-COLA RECEIPTS-CITY HALL	82.28
MISCELLANEOUS	FAX CHARGES	1.00
CD INTEREST	CD INTEREST 101	327.51
CD INTEREST	CD INTEREST 301	1,391.97
CD INTEREST	CD INTEREST 378	682.33
CD INTEREST	CD INTEREST 602	136.46
CD INTEREST	CD INTEREST 603	191.05
Summary Totals:		<u>97,528.81</u>



Check Issue Date(s): 04/22/2006 - 05/05/2006

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
05/06	05/04/2006	33241	40032	OFFICE OF ENTERPRISE TECHNOLOG	002-20200	402.33
05/06	05/04/2006	33242	150011	OLD DOMINION BRUSH	002-20200	333.13
05/06	05/04/2006	33243	160045	PHILLIPS 66-CONOCO-76	002-20200	3,147.26
05/06	05/04/2006	33244	170005	QUALITY FLOW SYSTEMS INC	002-20200	630.71
05/06	05/04/2006	33245	170001	QWEST	002-20200	99.91
05/06	05/04/2006	33246	180045	RESERVE ACCOUNT	002-20200	500.00
05/06	05/04/2006	33247	180005	ROAD MACHINERY AND SUPPLY	002-20200	23.58
05/06	05/04/2006	33248	5035	ROGER SCOTT	002-20200	100.00
05/06	05/04/2006	33249	6006	SAINT LOUIS COUNTY	002-20200	182.29
05/06	05/04/2006	33250	5042	SAMANTHA RATZLAST	002-20200	270.63
05/06	05/04/2006	33251	190037	SCENIC TITLE & ABSTRACT INC	002-20200	4,249.00
05/06	05/04/2006	33252	190049	SCHOLASTIC LIBRARY PUBLISHING	002-20200	144.60
05/06	05/04/2006	33253	190045	SERVICE SOLUTIONS	002-20200	336.59
05/06	05/04/2006	33254	5028	SHARON ROGERS	002-20200	100.00
05/06	05/04/2006	33255	6044	ST LOUIS COUNTY	002-20200	100.00
05/06	05/04/2006	33256	190016	ST LOUIS COUNTY AUDITOR	002-20200	409.51
05/06	05/04/2006	33257	190022	ST LOUIS COUNTY AUDITOR	002-20200	430.00
05/06	05/04/2006	33258	200003	TACONITE TIRE SERVICE	002-20200	38.90
05/06	05/04/2006	33259	5032	TANYA STECKER	002-20200	100.00
05/06	05/04/2006	33260	200026	TERRA FERMA DEVELOPMENT	002-20200	426.00
05/06	05/04/2006	33261	200020	THE TRENTI LAW FIRM	002-20200	300.00
05/06	05/04/2006	33262	200021	TRENCHERS PLUS INC	002-20200	262.66
05/06	05/04/2006	33263	200006	TRIMARK INDUSTRIAL	002-20200	438.65
05/06	05/04/2006	33264	200036	TRITEC OF MINNESOTA INC	002-20200	45.00
05/06	05/04/2006	33265	210030	U S BANK TRUST SERVICES	002-20200	18,663.75
05/06	05/04/2006	33266	220025	VERIZON WIRELESS, BELLEVUE	002-20200	17.67
05/06	05/04/2006	33267	220014	VIKING INDUSTRIAL NORTH	002-20200	273.65
05/06	05/04/2006	33268	220004	VIRGINIA DEPARTMENT OF PUBLIC	002-20200	28,422.01
05/06	05/04/2006	33269	220026	VIRGINIA HOME CENTER	002-20200	368.13
05/06	05/04/2006	33270	220008	VIRGINIA REGIONAL MEDICAL CTR	002-20200	2,500.00
05/06	05/04/2006	33271	220020	VISA OR AMERICAN BANK CC PMT	002-20200	157.43
05/06	05/04/2006	33272	230005	WESCO DISTRIBUTION INC	002-20200	505.75
05/06	05/04/2006	33273	240001	XEROX CORPORATION	002-20200	386.80
05/06	05/04/2006	33274	260003	ZEE SERVICE COMPANY	002-20200	30.85

Totals:

	<u>221,475.54</u>
Payroll-PP Ending 4/21/06	<u>80,495.96</u>
TOTAL EXPENDITURES	<u><u>\$301,971.50</u></u>

Check Issue Date(s): 04/22/2006 - 05/05/2006

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
04/06	04/26/2006	33184	130011	MOUNTAIN IRON POSTMASTER	002-20200	347.74
05/06	05/04/2006	33185	10013	A T & T INFORMATION SYSTEMS	002-20200	100.70
05/06	05/04/2006	33186	10008	AIRGAS NORTH CENTRAL	002-20200	275.26
05/06	05/04/2006	33187	10021	ARROWHEAD LIBRARY SYSTEM	002-20200	250.00
05/06	05/04/2006	33188	10020	ASPEN EQUIPMENT COMPANY	002-20200	174.91
05/06	05/04/2006	33189	5007	ASSURANT EMPLOYEE BENEFITS	002-20200	645.89
05/06	05/04/2006	33190	5034	BETH ANDERSON	002-20200	100.00
05/06	05/04/2006	33191	20010	BISS LOCK INC	002-20200	39.94
05/06	05/04/2006	33192	30014	CALVARY CEMETERY ASSOCIATION	002-20200	14,250.00
05/06	05/04/2006	33193	30017	CARQUEST (MOUNTAIN IRON)	002-20200	459.16
05/06	05/04/2006	33194	30052	COLUMBIA HOUSE-CUSTOMER SERVC	002-20200	16.41
05/06	05/04/2006	33195	30026	COMO LUBE & SUPPLIES INC	002-20200	94.40
05/06	05/04/2006	33196	5043	DANIEL WALSH	002-20200	100.18
05/06	05/04/2006	33197	40028	DITCH WITCH OF MINNESOTA INC	002-20200	198.09
05/06	05/04/2006	33198	5033	DONNA THOMAS	002-20200	100.00
05/06	05/04/2006	33199	50015	EAST RANGE FIRE DEPT COALITION	002-20200	28.50
05/06	05/04/2006	33200	5041	EMILY RANTALA	002-20200	340.20
05/06	05/04/2006	33201	5038	ESTHER OLSON	002-20200	184.07
05/06	05/04/2006	33202	60029	FERGUSON ENTERPRISES INC	002-20200	5,212.76
05/06	05/04/2006	33203	5037	FRANK & FAYE SHERMAN	002-20200	86.27
05/06	05/04/2006	33204	60033	FRIENDS OF THE HIBBING PUBLIC	002-20200	25.00
05/06	05/04/2006	33205	70004	GRANDE ACE HARDWARE	002-20200	39.91
05/06	05/04/2006	33206	70006	GREENWOOD CEMETERY	002-20200	3,000.00
05/06	05/04/2006	33207	70029	GUARDIAN PEST CONTROL INC	002-20200	119.28
05/06	05/04/2006	33208	80017	HENRY'S WATERWORKS INC	002-20200	670.74
05/06	05/04/2006	33209	80006	HOCKENBERGS DELUCA	002-20200	360.40
05/06	05/04/2006	33210	80010	HOMETOWN ELECTRIC	002-20200	713.98
05/06	05/04/2006	33211	90002	INGRAM BOOK COMPANY	002-20200	410.31
05/06	05/04/2006	33212	90010	INTERNATIONAL INSTITUTE OF	002-20200	100.00
05/06	05/04/2006	33213	90006	IRON TRAIL MOTORS	002-20200	133.15
05/06	05/04/2006	33214	60018	JILL M FORSEEN	002-20200	18.69
05/06	05/04/2006	33215	5040	JONAH KIRKPATRICK	002-20200	97.42
05/06	05/04/2006	33216	5036	JUDY NORRI	002-20200	100.00
05/06	05/04/2006	33217	5026	KATHY GOLDEN	002-20200	50.00
05/06	05/04/2006	33218	5031	KATHY KNUTI	002-20200	50.00
05/06	05/04/2006	33219	120032	LAKE COUNTRY POWER	002-20200	130.00
05/06	05/04/2006	33220	120002	LAWSON PRODUCTS INC	002-20200	212.94
05/06	05/04/2006	33221	120039	LEEF SERVICES	002-20200	28.31
05/06	05/04/2006	33222	120008	LEHMAN FABRICATING INC	002-20200	457.95
05/06	05/04/2006	33223	5030	LINDSY MITCHELL	002-20200	50.00
05/06	05/04/2006	33224	5029	LISA PETERSON	002-20200	50.00
05/06	05/04/2006	33225	120004	LITERARY GUILD	002-20200	74.06
05/06	05/04/2006	33226	120043	LITTLE FALLS MACHINE INC.	002-20200	168.56
05/06	05/04/2006	33227	5039	LOIS KLUN	002-20200	117.56
05/06	05/04/2006	33228	130033	MEDTRONIC EMERGENCY RESPONSE	002-20200	806.73
05/06	05/04/2006	33229	130109	METRO FIRE	002-20200	1,067.50
05/06	05/04/2006	33230	5025	MIB RANGERS HOOP CLUB	002-20200	100.00
05/06	05/04/2006	33231	130008	MINNESOTA MUNICIPAL UTILITIES	002-20200	405.40
05/06	05/04/2006	33232	130009	MINNESOTA POWER	002-20200	46,093.40
05/06	05/04/2006	33233	130010	MINNESOTA UC FUND	002-20200	77.70
05/06	05/04/2006	33234	130075	MN DEPT OF LABOR AND INDUSTRY	002-20200	30.00
05/06	05/04/2006	33235	130015	MOUNTAIN IRON PUBLIC UTILITIES	002-20200	15,266.97
05/06	05/04/2006	33236	130038	MOUNTAIN IRON-BUHL HIGH SCHOOL	002-20200	60,000.00
05/06	05/04/2006	33237	5027	NATURAL HARVEST FOOD CO-OP	002-20200	100.00
05/06	05/04/2006	33238	140004	NORTHERN ENGINE & SUPPLY INC	002-20200	288.28
05/06	05/04/2006	33239	140016	NORTHLAND SECURITIES	002-20200	1,621.75
05/06	05/04/2006	33240	140008	NORTRAX EQUIPMENT/POWERPLAN	002-20200	1,038.28



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

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



April 23, 2006



Mr. Gary Skalko  
8586 Enterprise Drive South  
Mt. Iron, MN 55768

Mt. Iron Library Commission  
Mt. Iron, MN 55768

Dear Mayor Skalko and Library Commission:

The correspondence will serve as a Memorandum of Understanding (MOU) between the parties to the Agreement, i.e. City of Mt. Iron, Mt. Iron Library Commission, hereinafter referred to as the Employer, and AFSCME Local 453, Council 65, hereinafter referred to as the Union.

WHEREAS, the parties to the Agreement have recognized the need to fill the assistant librarian vacancy created by the promotion of Ms. Peterangelo to Library Director, and;

WHEREAS, the parties are in the process of contract negotiations for a new collective bargaining agreement that may very well alter certain terms and conditions, and/or benefits, and

WHEREAS, the parties recognize that the position and the work are, and have been bargaining unit work of the Union,

THEREFORE, the parties agree to a temporary position, to last no longer than 60 working shifts, to be paid at the Union wage rate, shall not be entitled to any other contractual benefits during the temporary status, and this time period shall allow the parties to the Agreement to complete their negotiations and ratify a new Agreement.

Once the parties have a new Agreement, this temporary position shall cease, upon written notification by the Union to the Employer, and a permanent part-time vacancy shall be posted and filled. The parties may agree to allow consideration for seniority credit for the employee who filled the temporary vacancy, if that person becomes the permanent employee.

This arrangement shall not establish a precedent between the parties in regards to temporary positions.

On behalf of the City,

On behalf of the Library Commission,

On behalf of the Union,

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

  
\_\_\_\_\_  
President / Library Commission

  
\_\_\_\_\_  
AFSCME Business Agent

Dated: 5/2/06



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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

## RESOLUTION NUMBER 12-06

### VACATING STREETS IN PARKVILLE 2<sup>nd</sup> AND 3<sup>rd</sup> ADDITIONS

**WHEREAS**, the majority of the owners abutting 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, City of Mountain Iron, have requested the City Council in a petition dated March 20, 2006, to vacate such streets according to law; and,

**WHEREAS**, a public hearing was held on May 1, 2006, before the City Council in the Community Center on such petition after due published and posted notice has been given by the City Administrator on April 4, 2006, a reasonable attempt was made to give personal notice to affected property owners, and all persons interested were given an opportunity to be heard; and,

**WHEREAS**, any person, corporation or City owning or controlling easements contained upon the property vacated, reserves the right to continue maintaining the same or to enter upon such way or portion thereof vacated to maintain, repair, replace, remove or otherwise attend thereto; and,

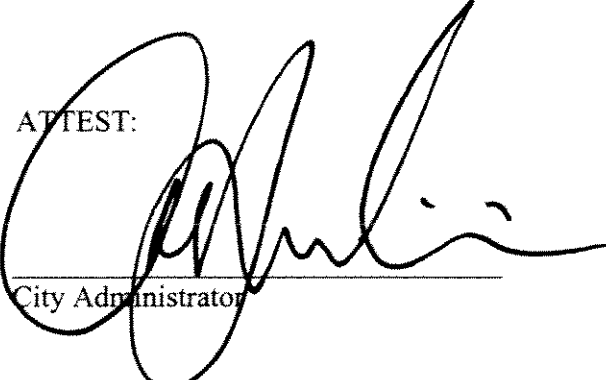
**WHEREAS**, it appears that it will be in the best interest of the City to approve such petition.

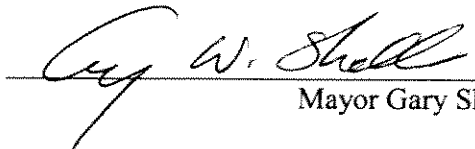
**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that such petition is hereby granted and the streets described as follows are hereby vacated:

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.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1<sup>st</sup> DAY OF MAY, 2006.**

ATTEST:

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

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



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 13-06

### ORDERING PREPARATION OF REPORT ON IMPROVEMENT

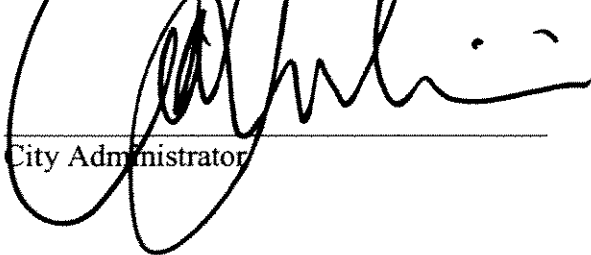
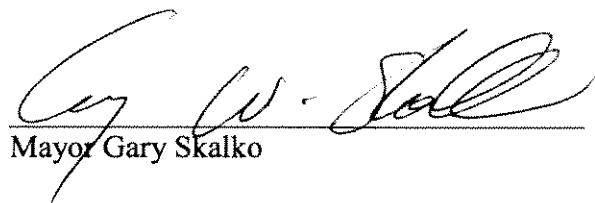
**WHEREAS**, it is proposed to improve those Street identified in Exhibit A by construction, reconstruction and/or overlay and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429.

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

That the proposed improvement be referred to Benchmark Engineering for study and that they are 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 and as to whether it should best be made as proposed or in connection with some other improvement, and the estimated cost of the improvement as recommended.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF MAY, 2006.**

ATTEST:

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

## **EXHIBIT A**

Heather Avenue from Centennial Drive to South End of Road  
Heather Avenue from Centennial Drive to Unity Drive  
Slate Street from Mineral Avenue to approximately 500 feet west of Mineral Avenue  
City Garage Parking Lot  
Coral Street from Marble Avenue to Mountain Avenue  
Enterprise Drive North from Nichols Avenue to County Highway 7  
Granite Street from Mineral Avenue to Marble Avenue  
Unity Drive from Mud Lake Road to Diamond Lane  
West End Centennial Street to approximately 400 feet east of Heather Avenue  
Tamarack Street from County Road 7 to approximately 600 feet east of County Road 7  
Locomotive Street from Mountain Avenue to west edge of Town of Grant plat  
Unity Drive from Emerald Avenue to approximately 1320 feet west of Emerald Avenue  
Park Ridge Drive from Nichols Avenue to the east edge of Park Ridge Plat



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 14-06

### APPLICATION FOR A GRANT FOR UNITY DRIVE

To: IRON RANGE RESOURCES COMMISSIONER (hereafter referred to as "the Agency")  
From: City of Mountain Iron

WHEREAS, the City has performed their own due diligence and are recommending the project for the Agency funds; and

WHEREAS, the City of Mountain Iron (hereafter referred to as the "Applicant") is a municipal corporation organized/operating under the laws of the State of Minnesota; and

WHEREAS, the Applicant has a need for a grant for the Unity Drive construction (hereafter called "the Project"); and

WHEREAS, the Applicant is the owner of the site on which the Project will be undertaken; and

WHEREAS, the Applicant has determined that it will need a grant from the Agency for \$250,000 in order to complete the Project; and

WHEREAS, the Applicant is in the process of submitting its application to the Agency requesting a grant of funds to do the said project; and

WHEREAS, the Applicant understands and agrees that the Agency will not provide funds to reimburse the applicant for any costs incurred for the Project prior to the date on which this Project is approved by the Agency.

NOW, THEREFORE BE IT RESOLVED that the Applicant hereby authorizes and approves making application to the Agency for a grant for \$250,000 to provide funds to do the Project.

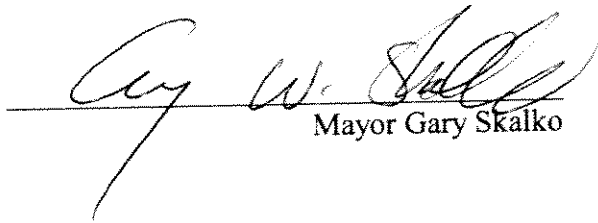
BE IT FURTHER RESOLVED that the Applicant's Mayor and City Administrator are authorized and directed to sign and submit an application for the said grant monies and all applicable contracts, documents and agreements associated with the grant or the application for it.

BE IT FURTHER RESOLVED that the Applicant agrees and commits that following completion of the Project site and any equipment installed in connection with the Project be in good operating condition, appearance and repair and protect the same from deterioration, reasonable wear and tear resulting from ordinary use of the property and equipment excepted, for as long as the Applicant retains ownership of the Project site.

DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF MAY, 2006.

ATTEST:

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

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





IRON RANGE  
RESOURCES  
INFRASTRUCTURE  
GRANT PROGRAM  
PROJECT APPLICATION



Date Submitted: May 1, 2006

**PROJECT DESCRIPTION:** This project involves the installation of storm sewer sidewalks and bituminous surfacing along Unity Drive to assist the Diamond Willow project. Diamond Willow is a new for-profit, 20 unit, 14,000 square foot assisted living facility. The Diamond Willow project is to be constructed by Five Star Living.


Applicant's Legal Name:	City of Mountain Iron
Address:	8586 Enterprise Drive South, Mtn. Iron MN 55768
Contact Person:	Craig J. Wainio
Title:	City Administrator
Phone Number:	(218) 748-7570
Fax:	(218) 742-9931
Geographic Area Served by Applicant:	City of Mountain Iron
Population Served by Applicant:	3000
Applicant's Legal Representative:	Sam Aluni, Trenti Law Office
Applicant's Governing Body:	Gary Skalko, Mayor Joe Prebeg, Councilor Edmund Roskoski, Councilor Allen Nelson, Councilor Dale Irish, Councilor

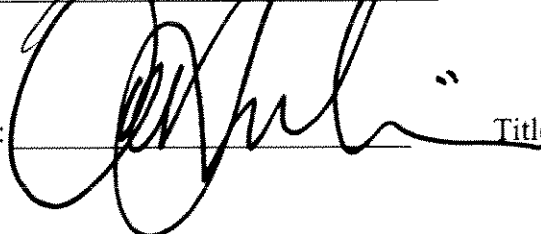
**SIGNATURES**

I declare that any statement in this application, or information provided herein is true and complete to the best of my knowledge and hereby acknowledge that I have read and understand the following statement:

*"The State of Minnesota and its agents have the right to verify information provided in this application. False information, in addition to disqualifying the applicant from further consideration for financial assistance, may also subject the applicant to the penalty provision of MS. §609.645."*

Applicant: City of Mountain Iron

By:  Title: Mayor Date: May 1, 2006

Attest:  Title: City Administrator Date: May 1, 2006



**JOBS CREATED:** There will be 30 FTE jobs created as a direct result of the Diamond Willow project. There will be 15 nurses aid jobs created at \$10.00 per hour plus benefits. There will be 5 manager jobs created at \$16.00 per hour plus benefits and there will be 10 nursing jobs created at \$22.00 per hour plus benefits.

**LEVERAGE:**

USES	SOURCES			
	City	IRR	Five Star Living	Total
<b>Project Costs</b>				
Diamond Willow			\$1,430,000	\$1,430,000
Construction Costs	\$90,000	\$250,000		\$340,000
Engineering	\$63,000			\$63,000
<b>Total Estimated Project Costs</b>	<b>\$153,000</b>	<b>\$250,000</b>	<b>\$1,430,000</b>	<b>\$1,833,000</b>

City = \$153,000 8%  
 TOTAL = \$1,833,000 100%

IRR = \$250,000 14%  
 TOTAL = \$1,833,000 100%

Five Star Living = \$1,430,000 78%  
 TOTAL = \$1,833,000 100%

**ESTIMATED TIME TABLE:**

Project Planning: June 2006  
 Bidding Phase: July 2006  
 Construction: August 2006 – May 2007  
 Closeout: June 2007

**IMPACT:**

Economic diversification is achieved through the addition of another entity which is creating new non-mining jobs for the area. The construction of the new facility will broaden the City of Mountain Iron’s tax base. The project will have the impact of creating 30 new permanent jobs for the area. Due to the size of the project presented here, the City of Mountain Iron does not have the financial capability to undertake this project without the assistance of the IRR.

**JOB AND POPULATION LOSS:**

In 1980 the population of the City of Mountain Iron was 4,131 in 2004 it is estimated to be 2,922. In 1980 the estimated employment at United State Steel – Minntac was 4,500 currently it is 1,180.

April 25, 2006



**ENGINEER'S PRELIMINARY ESTIMATE OF QUANTITIES AND OPINION OF COST  
UNITY DRIVE**

CITY OF MOUNTAIN IRON, MINNESOTA

SPEC. NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2101.511	CLEARING AND GRUBBING	LUMP SUM	\$6,000.00	1.0	\$6,000.00
2104.513	SAW PAVEMENT - FULL DEPTH	LIN. FT.	\$4.00	40.0	\$160.00
2105.501	COMMON EXCAVATION	CU. YD.	\$5.00	3,800.0	\$19,000.00
2105.503	ROCK EXCAVATION	CU. YD.	\$80.00	20.0	\$1,600.00
2105.522	SELECT GRANULAR BORROW (CV)	CU. YD.	\$14.00	1,745.0	\$24,430.00
2105.525	TOPSOIL BORROW (CV)	CU. YD.	\$18.00	230.0	\$4,140.00
2105.604	GEOTEXTILE FABRIC, TYPE V	SQ. YD.	\$2.00	5,445.0	\$10,890.00
2211.503	AGG. BASE PLACED CL. 5 (CV)	CU. YD.	\$18.00	1,265.0	\$22,770.00
2350.501	TYPE LV4 WEARING COURSE MIXTURE	TON	\$60.00	720.0	\$43,200.00
2350.502	TYPE LV3 NON-WEARING COURSE MIXTURE	TON	\$58.00	1,035.0	\$60,030.00
2357.502	BIT. MATERIAL FOR TACK COAT	GAL.	\$3.50	315.0	\$1,102.50
2501.515	30" RC PIPE APRON	EACH	\$1,200.00	3.0	\$3,600.00
2503.541	12" RC PIPE SEWER CL. III	LIN. FT.	\$35.00	195.0	\$6,825.00
2503.541	18" RC PIPE SEWER CL. III	LIN. FT.	\$45.00	75.0	\$3,375.00
2503.541	30" RC PIPE SEWER CL. III	LIN. FT.	\$70.00	225.0	\$15,750.00
2504.602	ADJUST VALVE BOX - WATER	EACH	\$200.00	3.0	\$600.00
2506.502	CONST. DRAINAGE STRUCTURE (C.B. OR M.H.)	EACH	\$2,000.00	16.0	\$32,000.00
2506.516	CASTING ASSEMBLY	EACH	\$400.00	16.0	\$6,400.00
2506.522	ADJUST FRAME AND RING CASTINGS	EACH	\$300.00	3.0	\$900.00
2521.501	4" CONCRETE WALK	SQ. FT.	\$3.50	12,250.0	\$42,875.00
2531.501	CONCRETE CURB & GUTTER - DES. B618	LIN. FT.	\$14.00	2,500.0	\$35,000.00
2575.555	TURF ESTABLISHMENT	ACRE	\$4,000.00	0.3	\$1,200.00

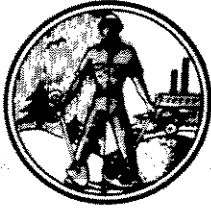
CONSTRUCTION COST: \$341,847.50  
 CONTINGENCIES: \$51,277.13  
 ENGINEERING - DESIGN PHASE: \$30,766.28  
 ENGINEERING - CONSTRUCTION PHASE (estimated): \$33,000.00

ESTIMATED PROJECT COST: **\$456,890.90**

**NOTES:**

1. Estimate includes 1225' long by 40' wide street with 24' wide intersection pull outs. Includes 5' wide sidewalk and curb & gutter on both sides.
2. Street subcut includes: Geotextile Fabric, 11" Select Granular, 8" Class V, & 5" Bituminous Surface.
3. No street lighting is included within this estimate.

BENCHMARK ENGINEERING, INC.



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 15-06


### APPROVING AMENDMENT TO TRANSFER AGREEMENT

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

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

**DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF MAY, 2006.**

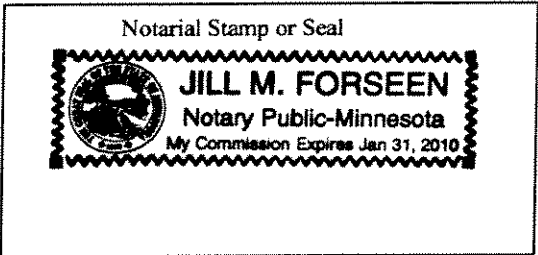
ATTEST:

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

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

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

The foregoing instrument was acknowledged before me this 2nd day of May, 2006, by **Gary Skalko and Craig Wainio**, the **Mayor and City Administrator of City of Mountain Iron**, a statutory city and municipal corporation under the laws of the State of Minnesota, on behalf of the **City of Mountain Iron**.



*Jill M. Forseen*  
\_\_\_\_\_  
Notary Public

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**AMENDMENT TO  
TRANSFER AGREEMENT**

This AMENDMENT TO TRANSFER AGREEMENT is made and entered into as of May 1, 2006, by and among the MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota (the "Authority"), the CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota (the "City"), and MOUNTAIN TIMBER PROPERTIES, LLC, a limited liability company duly organized and existing under the laws of the State of Minnesota (the "Developer").

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

1. Section 1 of the Transfer Agreement is hereby amended to state as follows:

"Transfer Parcel" means all or any part of the parcel of land lying within the Development Property consisting of approximately 20 acres and legally described on the attached Exhibit B.

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

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

**MOUNTAIN IRON ECONOMIC  
DEVELOPMENT AUTHORITY**

By: \_\_\_\_\_  
Its President

By: \_\_\_\_\_  
Its Executive Director

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

The foregoing instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2006 by Anthony Zupancich and Craig J. Wainio, the President and Executive Director, respectively, of the Mountain Iron Economic Development Authority, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota on behalf of said Authority.

\_\_\_\_\_  
Notary Public

CITY OF MOUNTAIN IRON

By: *Gary Skalko*  
Its Mayor

By: *Craig J. Wainio*  
Its City Administrator

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

The foregoing instrument was acknowledged before me on the 2nd day of May, 2006 by Gary Skalko and Craig J. Wainio, the Mayor and City Administrator, respectively, of the City OF MOUNTAIN IRON, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota on behalf of said city.



*Jill M. Forseen*  
Notary Public

MOUNTAIN TIMBER PROPERTIES, LLC

By: \_\_\_\_\_  
Its President

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

The foregoing instrument was acknowledged before me on the \_\_\_\_\_ day of \_\_\_\_\_, 2006 by Joann Birchem, the President of Mountain Timber Properties, LLC on behalf of the company.

\_\_\_\_\_  
Notary Public



**COUNCIL LETTER 051506-IVA1**

**MAYOR SKALKO**

**UNITY SECOND ADDITION**

**DATE:** May 10, 2006

**FROM:** Mayor Skalko

Craig J. Wainio  
City Administrator

---

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

Develop a feasibility study and conceptual plan for the layout of Unity Second Addition.

**COUNCIL LETTER 051506-IVA2**

**MAYOR SKALKO**

**HIGHWAY 53 FUNDING**

**DATE:** May 10, 2006

**FROM:** Mayor Skalko

Craig J. Wainio  
City Administrator

---

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

Upon request from Commissioner Nelson, allocate up to \$300.00 to be used to secure funding for the Highway 53 expansion project.

**COUNCIL LETTER 051506-IVA3**

**MAYOR SKALKO**

**LABOR MANAGEMENT MEETING**

**DATE:** May 10, 2006

**FROM:** Mayor Skalko

Craig J. Wainio  
City Administrator

---

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

Set a Labor Management meeting for Thursday, May 25<sup>th</sup> at 3:00PM with Councilor Prebeg and Mayor Skalko representing the City Council.

**COUNCIL LETTER 051506-IVC1**

**PUBLIC UTILITIES**

**STANDBY EMERGENCY  
GENERATOR QUOTES**

**DATE:** May 10, 2006

**FROM:** Don Kleinschmidt  
Director of Public Works

Craig J. Wainio  
City Administrator

---

Please find attached, the only quote received for the replacement standby generator from Interstate Power Systems in the amount of \$21,565.00. This is for replacement of the lift station generator at the Mud Lake Lift Station.

Staff recommends purchase of the standby generator from Interstate Power Systems in the amount of \$21,565.00. This will be funded through the Wastewater Treatment Plant Enterprise Capital Outlay Fund.

# INTERSTATE POWER SYSTEMS

1921 16<sup>th</sup> Avenue West, Virginia, MN 55792  
Phone: 218-749-4484 or Toll Free 800-292-0149  
Fax 218-749-3927  
[www.istate.com](http://www.istate.com)

May 8, 2006

Don Kleinschmidt  
City of Mountain Iron  
8586 Enterprise Drive South  
Mountain Iron, MN 55768

Re: Kohler Stand By Generator Quote

Don,

Dased on the information provided with the two 67 1/2 HP pumps at the site and only running one pump at a time we are going to quote you a 100 KW generator.

Here is our quote to replace the Kohler 85 KW generator at the Mud Lake pumping site as follows:

One (1) Kohler 100RZG propane gas engine skid mounted with the following specifications:

- 277/480 volt, 3 phase, 60 Hz, 4 wire. 150 amps
- Weather enclosure with critical silencer and rain cap
- Standard air cleaner
- Unit mounted radiator
- Battery box, battery, cables, battery charger
- Engine block heater
- 16 light Dec 3 controller, 12 volt, control harness
- Flexible fuel line and gas solenoid
- Safeguard breaker
- Literature kit
- Rodent guards
- Engine oil and coolant
- Start up inspection
- Freight

Net price.....\$21,565.00  
(Does not include tax if applicable)

Approximately delivery 6-8 weeks

Terms: Net 30 days

This quotation is valid for 60 days

Sincerely,  
  
Terry Edmonds

**COUNCIL LETTER 051506-IVC2**

**PUBLIC WORKS**

**CALL FOR DISPOSAL BIDS**

**DATE:** May 10, 2006

**FROM:** Don Kleinschmidt  
Director of Public Works

Craig J. Wainio  
City Administrator

---

Staff is requesting City Council authorization to call for bids for the disposal of one (1) 1996 one ton with dump body and snowplow. Vehicle Identification Number 1GBJK34J8TE228701 and license number 138 973.

**COUNCIL LETTER 051506-IVC3**

**ELECTRIC DEPARTMENT**

**POWER POLE PURCHASE**

**DATE:** May 10, 2006  
**FROM:** Don Kleinschmidt  
Director of Public Works  
  
Craig J. Wainio  
City Administrator

---

Staff is requesting City Council authorization to purchase the following power poles from Minnesota Power:

20 - 25 each --- 35 foot Class 5 power poles at \$193.00 each  
TOTAL COST \$3,860.00 to \$4,825.00

20 - 25 each --- 40 foot Class 5 power poles at \$236.00 each  
TOTAL COST \$4,720.00 to \$5,900.00

Depending on how many power poles of each length are supplied on a truck, the total cost will be between \$8,580.00 and \$10,725.00.

This purchase will be funded from the 2006 Electric Department Enterprise Fund.

**COUNCIL LETTER 051506-IVC4**

**COUNCILOR ROSKOSKI**

**INFLOW & INFILTRATION REPORT**

**DATE:** May 10, 2006

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

---

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

City plan of rehabilitation?  
Cost estimates?  
Seek grants?  
Do necessary work in-house?  
Contract necessary work out?



**COUNCIL LETTER 051506-IVD1**  
**PARKS AND RECREATION BOARD**  
**SUMMER HIRES**

**DATE:** May 10, 2006  
**FROM:** Larry Nanti  
Director of Parks & Recreation  
  
Craig J. Wainio  
City Administrator

---

The Mountain Iron Parks & Recreation Board recommends hiring the summer staff for 2006 as follows:

Maintenance - Travis Latvaaho  
Summer coaches - Garrett Niska, Paige Mortaloni, Dustyn Leff, Chelsea Rubow, DJ Winfield  
Andy Prebeg, Gage Rautio, Theresa Strukel, May Strukel.  
Adult coaches - Mike Rowe, James Gilbert, Raija Sarich  
Umpire staff - Jim Bialczak, Marianne Nanti, Terry Niska, Zack Rowe, Jon Benz

**COUNCIL LETTER 051506-IVD2**  
**PARKS AND RECREATION BOARD**  
**COACHING WAGES**

**DATE:** May 10, 2006

**FROM:** Larry Nanti  
Director of Parks & Recreation

Craig J. Wainio  
City Administrator

---

The Parks & Recreation Board is recommending adopting the following change on wages:  
Coaches that are 25 years and older will be paid at the rate of \$300.00 per team per season for coaching in the 12 years and younger divisions in the summer ball program.

**COUNCIL LETTER 051506-IVD3**

**PARKS & RECREATION**

**VERANDA TABLES**

**DATE:** May 10, 2006  
**FROM:** Larry Nanti  
Director of Parks & Recreation  
  
Craig J. Wainio  
City Administrator



Staff has reviewed various catalogs and recommends the purchase of the following tables for the veranda at the Community Center:

Four (4) tables at \$750.00	=	\$3,000.00
One (1) table at \$760.00	=	\$ 760.00
Shipping	=	<u>\$1,080.00</u>
<b>TOTAL</b>	=	<b>\$4,840.00</b>

These tables will not have an umbrella hole in the top, but this option is available.



# 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:** April 2006 Activity Report  
**DATE:** May 10, 2006

The St. Louis County Sheriff's Office in Mt. Iron responded to the following calls for service during the month of April.  
Deputies also performed 68 traffic stops while issuing 16 citations for traffic or criminal offenses and 52 traffic warnings.

### Calls For Service:

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

Reply to:

35

**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 051506-IVG1**

**COUNCILOR ROSKOSKI**

**CITY CONTRIBUTIONS**

**DATE:** May 10, 2006  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

---

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

The City Attorney will review the rules-regulations-statutes concerning City monetary contributions, with the City Council, as noted in a memo to us dated 4-27-06.

# THE TRENTI LAW FIRM

## ATTORNEYS

Sam A. Aluni  
Paul D. Cerkvenik  
Joseph Lyons-Leoni\*++  
Scott C. Neff ++  
J. Carver Richards  
Patrick J. Roche\*  
Robert H. Stephenson

225 First Street North  
Suite 1000  
P.O. Box 958  
Virginia, MN 55792  
(218) 749-1962  
FAX (218) 749-4308  
E-mail (pcerk@trentilaw.com)

## RETIRED

Vernon D. Saxhaug  
John A. Trenti

## LEGAL ASSISTANTS

Helen Marsh  
Barbara Shosten  
Donna M. Leritz  
Kristen M. Hennis  
Sharon K. Fredrickson

---

## MEMORANDUM

---

TO: MT. IRON CITY COUNCIL  
FROM: PAUL CERKVENIK AND SAM ALUNI  
SUBJECT: DONATIONS TO CHARITABLE ORGANIZATIONS  
DATE: APRIL 27, 2006

### Question

The City has asked if Minnesota law permits it to make a donation to the Sand Lake Shuffle.

### Background

The Sand Lake Shuffle is a an annual local charitable event organized to raise money for activities related to the care of cancer patients and cancer research. The City has received a letter requesting a monetary donation from the City for the event.

The City receives similar requests for donations from a number of charitable or non-profit organizations and activities throughout the year.

On February 27, 2006, we provided the City with a copy of the League of Minnesota Cities publication entitled Public Purpose Expenditures. This LMC research memorandum sets forth a comprehensive explanation of the criteria for valid public expenditures.

## Applicable Law

### Public Purpose Spending Requirements:

Following constitutional principles and restrictions, the Minnesota Supreme Court in Visina v. Freeman, 252 Minn. 177 (1958), has set forth certain guidelines for public expenditures by municipalities. In order for a public expenditure of funds to be lawful,<sup>1</sup> it should meet both of the following requirements:

- **Public Purpose:** There must be a public purpose for the expenditure, which means that:
  - The activity will benefit the community as a body.
  - The activity is directly related to functions of government.
  - The activity does not have as its primary objective the benefit of a private interest.
  
- **Authority:** There must be specific or implied authority for the expenditure within a state statute (or in the city charter for charter cities). This requirement flows from the well-settled principle that a municipal corporation has no inherent power, but only such powers as are expressly conferred upon it by statute or its charter or necessarily implied therefrom. Borgelt v. City of Minneapolis, 135 N.W.2d 438 (Minn. 1966).

## Analysis

We conclude that a donation from the City's general fund (or any other public moneys controlled by the City in any other fund or form) to the Sand Lake Shuffle would not constitute a valid and lawful expenditure of public money.

The Attorney General of the State of Minnesota has addressed similar questions in a number of Attorney General Opinions directed to municipalities. In an opinion dated October 11, 1946, the Attorney General addressed the question of whether a village council could make a donation to the Red Cross or to the Boy Scouts, and concluded that there is no authority in Minnesota statutes for such donations. Interestingly, in an Opinion addressed to the village of Mountain Iron and dated October 21, 1943, the Attorney General advised the attorney for Mountain Iron that a donation from City funds to the U.S.O. Service Men's Fund was not lawful. In each instance, the primary basis for the opinion is the fact that the contemplated donations are not authorized by state statutes.

---

<sup>1</sup> A comprehensive explanation the boundaries of lawful public expenditures and the limitation upon the expenditure of public funds can be found in the League of Minnesota Cities Research Memo entitled "Public Purpose Expenditures" (No. 215h.21, dated November, 2002).

The general law regarding public purpose expenditures has not changed in this regard, even though the two above-cited opinions are more than 60 years old. Attached please find an outline of the applicable law from the Office of the State Auditor prepared by its General Counsel for an educational conference in 2003. This document states that

“Generally, no donations to people, non-profits, charities, etc. are permitted unless based upon specific statutory authority or charter authority. . . . [citations omitted]. The assumption is that a gift of public funds to an individual or private entity necessarily serves a private rather than a public purpose.”

While we have not undertaken an exhaustive search of the entire body of Minnesota statutes, we are aware of no specific statute which could be construed as authorizing a donation to the Sand Lake Shuffle, or to any charitable event such as or similar to the Sand Lake Shuffle. Our view has been concurred in by the research staff at the League of Minnesota Cities.

It is our view that a comprehensive search of Minnesota Statutes is not likely to result in a different conclusion, but would result in substantial legal expense to the city, and for that reason we have not undertaken such a research project. If you so desire, we could do so, but we do not think it is likely that our conclusion herein would be changed as a result.

If you have any further questions, please contact us. Thank you.



**THE TRENTI LAW FIRM**

PO BOX 958  
225 FIRST STREET NORTH, SUITE 1000  
VIRGINIA, MN 55792

Verification - 218-749-1962  
FAX NO. - 218-749-4308  
E-MAIL - saa@trentilaw.com

**FAX TRANSMISSION**

THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED, AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE UNDER APPLICABLE LAW. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the original message to us at the above address via the U.S. Postage Service. Thank you.

Dated: May 4, 2006

Fax No.: 748-7573

DELIVER TO: Craig Wainio, City Administrator, City of Mt. Iron

Re: City of Mt. Iron: Cemetery Funding  
Our File No.: 55,337-4

FROM: Sam A. Aluni, City Attorney, City of Mt. Iron



No. of pages: 2 (including this page)

Original to follow: Yes \_\_\_\_\_ No XX

**MESSAGE:** Craig: I am attaching a copy of Minn. Stat. §412.221 Subd. 9 which gives the city council general authority to "manage cemetery grounds". I have spoken to Tom Butorac, Virginia City Attorney, who confirms that for several decades both the City of Virginia and the City of Mountain Iron have considered the cemetery associations as agents for the respective cities for the purpose of managing cemetery grounds, and the general statute cited gives legal authority to the cities to expend more than the \$2,500 limitation contained in Minn. Stat. §471.84. If the council has questions, please advise.

CITIES, ORGANIZATION

§ 412.221

such encumbrances, obstructions, or substances to be removed and the cost to be assessed against the property as a special assessment.

**Subd. 7. Lighting streets.** The council shall have power to provide for lighting the streets, buildings, or grounds by gas, electricity or other means, and to contract with anyone engaged in the business of furnishing gas or electric service for the supply of such service to the city and its inhabitants.

**Subd. 8. Parks, trees.** The council shall have power to provide for, and by ordinance regulate, the setting out and protection of trees, shrubs, and flowers in the city or upon its property.

**Subd. 9. Cemeteries.** The council shall have power to acquire by purchase, gift, devise, condemnation or otherwise, hold and manage cemetery grounds, to enclose, lay out and ornament such grounds and sell and convey lots therein. It may by ordinance regulate cemeteries and the disposal of dead bodies.

**Subd. 10. Markets.** The council shall have power to establish markets, provide public scales, and appoint a weighmaster. It may by ordinance regulate markets and the use of scales and restrain sales in streets.

**Subd. 11. Waterworks.** The council shall have power to provide and by ordinance regulate the use of wells, cisterns, reservoirs, waterworks and other means of water supply.

**Subd. 12. Harbors, docks.** The council shall have power to establish harbor and dock limits and by ordinance regulate the location, construction and use of piers, docks, wharves, and boat houses on navigable waters and fix rates of wharfage. The council may construct and maintain public docks and warehouses and by ordinance regulate their use.

**Subd. 13. Ferries.** The council shall have power to acquire and operate ferries across any river flowing through or by the city.

**Subd. 14. Tourist camps; parking facilities.** The council shall have power to acquire, improve and operate, and by ordinance regulate tourist camps and automobile parking facilities.

**Subd. 15. Music.** The council shall have power to provide free musical entertainment.

**Subd. 16. Hospitals.** The council shall have power to provide hospital. The council of any city operating a municipal hospital may by ordinance establish a hospital board with such powers and duties of hospital management and operation as the council confers upon it; and the council may, by vote of all five members, abolish any board so established. The board shall consist of five members, each appointed by the mayor with the consent of the council for a term of five years. Terms of the first members shall be so arranged that the unexpired portion of the term in which it occurs. Any vacancy shall be filled for the term of one member expires each year. Any member may be removed by the mayor with the consent of the council for cause after a hearing.

The council may by ordinance authorize the hospital board to establish a separate fund in the city treasury into which all of its revenues shall be deposited. The hospital board shall, in the same manner as the council under section 412.271, subdivision 1, and to the same extent, audit claims to be paid

STATUTORY CIT

from the fund. treasurer for the by the president treasurer.

**Subd. 17. Fire department,** appo provide fire appa reasonable and ex

**Subd. 18. Stre** nance to name o number or renuni make and record :

**Subd. 19. Tra** nance to restrain dealers, hawkers,

**Subd. 20. Tax** ordinance to licen automobile rental license or regula driver qualification

**Subd. 21. Anti** the keeping of an impounding and s license and regula

**Subd. 22. Heal**

(1) to prohibit o

(2) to prevent r unwholesome sub authorized by law unwholesome sub not removed to pr which expense sh special assessment

(3) to provide f refuse; and

(4) to provide f waters in the city a

(b) The council responsible for ur which, if unpaid, responsible person

(c) The council r subdivision 2. wit

**COUNCIL LETTER 051506-VA**

**ADMINISTRATION**

**RESOLUTION NUMBER 10-06**

**DATE:** May 10, 2006  
**FROM:** Craig J. Wainio  
City Administrator

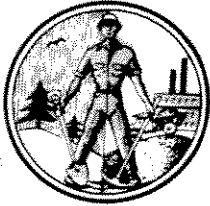
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Resolution Number 10-06 Authorizes the sale of the former Ann's Acres Water Building property to the adjoining property owners. The property no longer serves a public purpose and therefore its disposal is warranted. In order to place the property on 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.

As requested her is the input provided by Mr. John Jokinen of the County Assessors Office:

A typical lot with a residence in Ann's Acres is valued at around \$14800 which includes \$10000 for public water and sewer. Lot sizes vary but most are 75 feet in width with depths of 117 to 147 feet. Lot 1 Block 1, if the west 52 feet is excluded would be L shaped with dimensions of 49.88x117 and 48x42.42 ft. The \$4900 value of the lot may be high with the existence of two abandoned wells, foundation, and the proximity of the natural gas pump station. A lot in South Grove with similar square footage but pie shaped recently sold to two neighbors for a total of \$2000.



# CITY OF MOUNTAIN IRON

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## 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 15<sup>th</sup> DAY OF MAY, 2006.**

ATTEST:

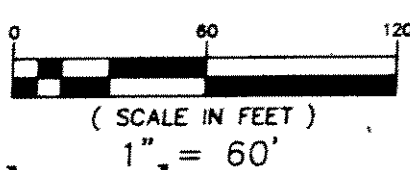
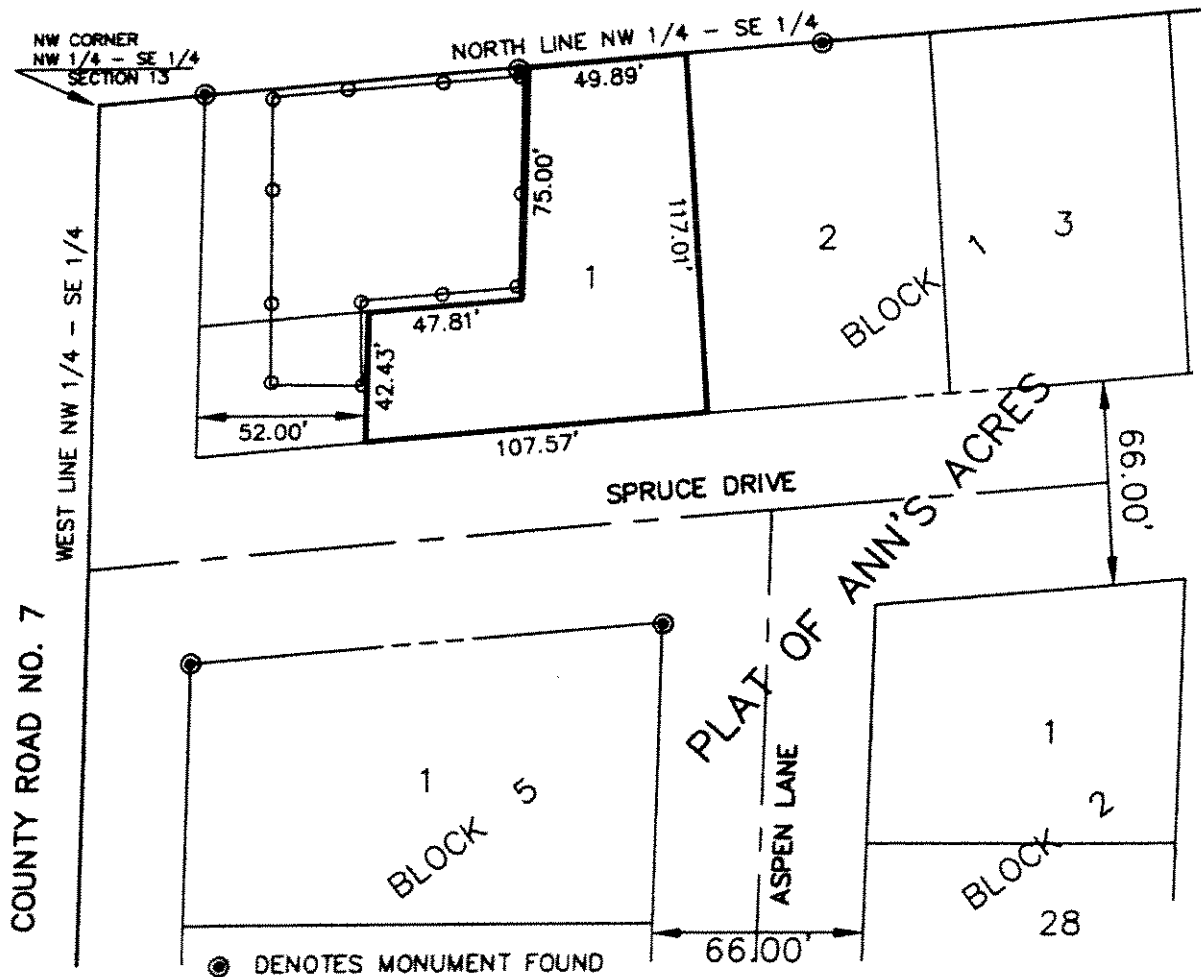
\_\_\_\_\_  
Mayor Gary Skalko

\_\_\_\_\_  
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 Hannigan*

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



**Benchmark**  
ENGINEERING, INC.

8878 Main Street Post Office Box 281  
Mountain Iron, Minnesota 55768  
Phone 218/735-8914

4044

**COUNCIL LETTER 051506-VIA**

**ADMINISTRATION**

**RESOLUTION 16-06**

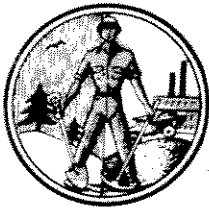
**DATE:** May 10, 2006

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

---

Resolution Number 16-06 Accepting Report and Calling a Hearing is a part of the assessment process for the proposed street improvements. This resolution calls for a hearing at the first meeting in June. The hearing will be published and adjoining property owners will be notified.

It is recommended that the City Council adopt Resolution Number 16-06 Accepting Report and Calling a Hearing as presented.



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## RESOLUTION NUMBER 16-06

### RECEIVING REPORT AND CALLING HEARING ON IMPROVEMENT

**WHEREAS**, pursuant to Resolution Number 13-06 of the City Council adopted May 1, 2006, a report has been prepared by Benchmark Engineering with reference to the improvement of those Street identified in Exhibit A by construction, reconstruction and/or overlay, and this report was received by the City Council on May 15, 2006, and

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

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

1. The City Council will consider the improvement of such streets in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$1,700,000.
2. A public hearing shall be held on such proposed improvement on the 5<sup>th</sup> day of June, 2006, 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 15<sup>TH</sup> DAY OF MAY, 2006.**

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

ATTEST:

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

## **EXHIBIT A**

Heather Avenue from Centennial Drive to South End of Road  
Heather Avenue from Centennial Drive to Unity Drive  
Slate Street from Mineral Avenue to approximately 500 feet west of Mineral Avenue  
City Garage Parking Lot  
Coral Street from Marble Avenue to Mountain Avenue  
Enterprise Drive North from Nichols Avenue to County Highway 7  
Granite Street from Mineral Avenue to Marble Avenue  
Unity Drive from Mud Lake Road to Diamond Lane  
West End Centennial Street to approximately 400 feet east of Heather Avenue  
Tamarack Street from County Road 7 to approximately 600 feet east of County Road 7  
Locomotive Street from Mountain Avenue to west edge of Town of Grant plat  
Unity Drive from Emerald Avenue to approximately 1320 feet west of Emerald Avenue  
Park Ridge Drive from Nichols Avenue to the east edge of Park Ridge Plat



April 14, 2006

Craig Wainio  
City Administrator  
City of Mt. Iron  
Mt. Iron, MN 55768

**Re: Proposed Purchase of Property**

Dear Mr. Wainio,

Edward and I recently purchased a home in Mt. Iron at 5366 Mineral Avenue. The property was previously owned by Matt and Lila Skalko.

We would like to find out what the procedure is to purchase the adjacent remnant parcel of property to the east our property. We are also interested in purchasing a parcel of property adjacent to the south of our property and just north of the natural gas line nearby.

Please contact Ed or me to discuss this. Our phone number is (218) 749-5810. Ed's cell phone number is (218) 780-0166. My cell phone number is (218) 750-7453.

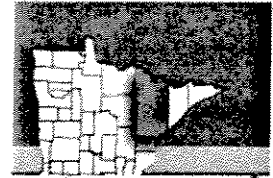
I have attached the information from the St. Louis County website which gives the legal description of our home.

We will be waiting to hear from. Thanks for you time.

Sincerely,



Lynda Klimek  
Edward Klimek  
7426 Lax Road  
Embarrass, MN 55732



Search By:

Data Current as of

# 2006 Assessor 's Market Values For Taxes Payable in 2007

## Record Details

**Parcel Number: 175-0070-01644**

**Owner** SKALKO MATT & LILA  
**of** 5366 MINERAL AV  
**Record** MT IRON MN 55768

**Plat Name:** MT IRON  
**1st Line of Legal Desc:** SLY 425 FT OF NLY 600 FT OF WLY  
**Block:**

**Sec-Twp-Rng:** 15 - 58.0 - 18

**Deeded Acres:** 0.79

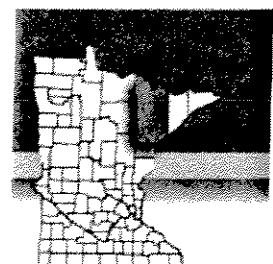
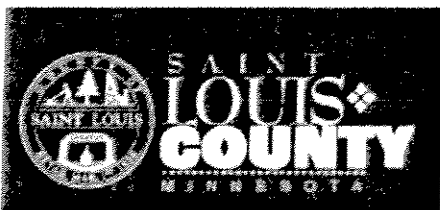
**Lake (no. / Name):** 0 /

This Parcel has 1 property tax classification(s). Valuations are provided below for each classification.

Class Code	Land Value	Building Value	Total Value
201: RES 1 UNIT	\$15,600.00	\$81,200.00	\$96,800.00
<b>Grand Totals</b>	<b>\$15,600.00</b>	<b>\$81,200.00</b>	<b>\$96,800.00</b>

Disclaimer: This data is intended to be used for informal purposes only. It is not intended for use in abstract work, land surveys, title opinions, appraisals, or other legal documents or purposes. For up-to-date and/or certified information, the user should contact the St. Louis County Auditor.

Data Current as of April 13, 2006



**COUNCIL LETTER 051506-IX**

**CITY COUNCIL**

**CLOSED MEETING**

**DATE:** May 10, 2006

**FROM:** City Council

Craig J. Wainio  
City Administrator

---

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

COMMUNICATIONS  
MAY 15, 2006

1. City of Mountain Iron, Notice of Public Hearing Notice, conditional use permit to operate a home business at 4859 Butler Road.
2. Small Cities Update for May 5, 2006.
3. League of Minnesota Cities, forwarding the May 5, 2006 Friday Fax.
4. Coalition of Greater Minnesota Cities, forwarding the May 4, 2006 Brief.
5. Darwin Alar, an apology for missing the taping of May 1<sup>st</sup> City Council meeting.



# CITY OF MOUNTAIN IRON

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## NOTICE OF PUBLIC HEARING

The Planning and Zoning Commission of the City of Mountain Iron will hold a public hearing on Monday, May 22, 2006 at 7:05 p.m. in the Mountain Iron Room of the Mountain Iron Community Center.

The purpose of the public hearing is to consider a request made by Dale L. Sprague, 4859 Butler Road, Mountain Iron, for a Conditional Use Permit as required by the Zoning Ordinance to operate a home business on his property. The property is legally described as follows:

Section 34, Township 58 North, Range 18 West

Northeast Quarter (NE  $\frac{1}{4}$ ) of the Northwest Quarter (NW  $\frac{1}{4}$ ) lying east of railroad right of way except the northerly 990 feet

Acres: 4.87

Parcel Code 175-0071-05058

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

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

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

# SMALL CITIES UPDATE

## MAY 5, 2006

By Nancy Larson

### **Bonding, other real issues now back on agenda**

After almost two weeks of stops, stalls and stadium debates, the Legislature finally seems to be back in the mood to deal with real issues. For instance, members of the conference committee on bonding, who were selected over a week ago, finally began deliberating on Wednesday.

Up first on the discussion list were the “easy” items, which should be agreed upon with little debate. We were pleased that this list included funding for the wastewater grant and loan programs (WIF and SRF), which means funding for those programs are in a safe spot. We are seeking more money for TMDL grants, however. Currently, the House bill includes \$3 million and the Senate bill \$5 million to provide funding for communities needing to upgrade wastewater plants in order to meet total maximum daily load requirements. The list of small cities ready to upgrade systems to deal with phosphorous or to eliminate straight pipes that contaminate the state’s waters is much larger than expected, so we are hoping to increase the amount in the final bill to \$15 million.

Although the House and Senate have not yet set a target amount for the size of the bonding bill, the Governor’s spokesperson did say that he would accept a public works bill costing more than \$960 million. That is about half way between the House and Senate proposals, and much more than the \$845 million in the governor’s original proposal.

Those named to the conference committee include Capitol Investment Committee chairs Sen. Keith Langseth (DFL-Glyndon) and Rep. Dan Dorman (R-Albert Lea). Other members of the committee are Senators James Metzen (DFL-South St. Paul), Sandra Pappas (DFL-St. Paul), Paul Koering (R-Fort Ripley) and Wes Skoglund (DFL-Minneapolis), and Representatives Denny McNamara (R-Hastings), Laura Brod (R-New Prague), Alice Hausman (DFL-St. Paul) and Bud Nornes (R-Fergus Falls).

### **Lots action, little progress on House tax bills**

The House passed a property tax bill on Tuesday that would provide one-time property tax relief in the form of rebate checks. Nixed was an amendment by Paul Marquart (DFL-Dilworth) that would have used the same funding source to provide permanent, rather than one-time, property tax relief. The Marquart amendment restored \$16.6 million in market value credit cuts for 2007, increased LGA to cities by \$40 million a year, reduced school property tax levies by \$60 million a year and created a new small city formula to more accurately measure need for cities under 2,500. Unfortunately, the amendment was ruled non-germane by House Speaker Steve Sviggum (R-Kenyon), and that ruling was supported on a mostly party line vote (other than Rep. Dan Dorman, who voted with the minority party). Since there is not a Senate companion to the House rebate bill, and since tax proposals that do not include rebates have been ruled non-germane, there is little likelihood of a conference committee or final passage of this bill.

Ironically, the day after passage of the rebate bill, the House unveiled its omnibus tax bill. The bill sounded great on the surface, since it called for about \$800 million in tax cuts beginning in 2008. Included in that figure was a future \$118 million increase in the Local Government Aid (LGA) program, but that increase would only occur if voters rejected the MVST constitutional amendment dedicating funds to transportation. It also included permanent, and draconian, levy limits for cities over 2,500 and established a complex system of taxpayer satisfaction surveys to be included along with truth-in-taxation statements.

The tax bill counted on a future surplus that assumed state officials would be able to avoid inflationary increases in spending while reaping the benefit of inflation in revenues, which could have put the state in the red in the future. We were saved from that scenario, however, when after eight hours of discussion, debate and amendments, the bill was defeated. Voting no were all Democrats on the committee plus three Republicans, Representatives Ron Abrams, Minnetonka; Ron Erhardt, Edina; and Dan Dorman.

As the tax bills get more outlandish, there is a slimmer and slimmer chance of anything meaningful getting through conference committee and on to the floor of the House and Senate. Despite the odds, MAOSC will continue to lobby and work for a good bill that includes increases in LGA as well as the new small cities LGA formula.

#### **Gas tax added to House transportation bill**

Taxes of a different sort were heard on Friday when the tax committee heard the House Omnibus Transportation bill. Its future is uncertain, but during the hearing, a motion made by Rep. Tom Rukavina (DFL-Virginia) to increase the gas tax by 3 cents passed with the assistance of two Republicans, Rep. Ron Erhardt and Rep. Dan Dorman. An amendment offered by Rep. Morrie Lanning (R-Moorhead), did not fare as well. His amendment would have changed the MVST constitutional amendment, dedicating 60 percent of the funding to roads and 40 percent to transit. The amendment caused a lot of passionate debate among committee members, many of whom supported the change, but Lanning pulled the bill and said he would offer the amendment again on the floor of the House.

#### **Legislative shenanigans could block annexation legislation**

First the Senate, followed by the House, folded all their finance bills into one big package. Next, due to some political concerns, both bodies stripped out all policy provisions from the very same bills. Those maneuvers have kept people scrambling to find new "homes" for their policy proposals. Those homes are bills that are germane, still alive and have some chance of passing prior to the end of session. Since the annexation provisions supported by both cities and townships are included in this dead zone, we have been working with supporters in the House and Senate to find bills that we can attach them to. It would be a shame to have worked so hard to find a compromise position and then see the proposal flounder because of Legislative shenanigans.

**The mission of the Minnesota Association of Small Cities is to enhance the quality of life in small cities of the state through advocacy, networking and collaboration**



# -FridayFax-

*A weekly legislative update from the League of Minnesota Cities*

May 5, 2006

Page 1

## House Tax Committee passes controversial transportation package

On the heels of a marathon Thursday meeting that failed to yield a tax bill, the House Tax Committee this morning passed a transportation bill containing a gas tax increase.

The transportation package, HF 3761 (Rep. Mary Liz Holberg, R-Lakeville), arrived in the committee containing the governor's proposal to fund transportation projects by bonding for \$2.5 billion--contingent on passage of the constitutional amendment phasing in dedication of 100 percent of the motor vehicle sales tax (MVST)—as well as language that would change the MVST ballot question and statutorily dedicate the proceeds on a 60/40 split between roads and transit. It was heard and then tabled by the House Tax Committee over two weeks ago. Insiders thought the prospects for passage were bleak at best. Over the course of this morning's hearing, the committee added a provision offered by Rep. Tom Rukavina (DFL-Virginia) that increases the gas tax by three cents per gallon beginning June 30, 2006 and another three cents per gallon beginning June 30, 2007.

The committee rejected an amendment that would have allowed counties to impose a wheelage tax on vehicles. An amendment that would have changed the proposed MVST constitutional amendment by dedicating the proceeds on a 60/40 split between roads and transit in the constitutional language was offered and then withdrawn by Rep. Morrie Lanning (R-Moorhead). The Lanning amendment would also have provided that legal challenges to the legislature's authority to change the ballot question or constitutional language must be filed within thirty days of the end of this year's session and must be immediately considered by the Minnesota Supreme Court.

The fact that the gas tax amendment prevailed and the House Tax Committee passed the bill as amended suggest that bipartisan support may still exist in the House for a comprehensive

transportation funding package. Still, final passage of the bill in its current form is a long shot. The bill's author reminded members that the bill has stops to make in the Ways and Means and Rules Committees, and that the governor would not hesitate to veto the bill as he did with the \$8.2 billion transportation package passed by the legislature in 2005.

*Questions? Contact Anne Finn at 651.281.1263 or [afinn@lmnc.org](mailto:afinn@lmnc.org).*

## Seven hours of work and nothing to show for it

At this point in the session, you can always count on the legislature for drama—as was the case Thursday afternoon and evening in the House Tax Committee. At 3:00 p.m., the committee convened to process an omnibus tax bill. After more than seven hours of testimony, debate and amendments, the House Tax Committee defeated the bill on a 12-15 vote.

Unfortunately, for cities and counties, the base bill chosen to begin the omnibus tax bill markup was HF 2457, which contained permanent, strict levy limits for cities and counties. Chair, Rep. Phil Krinkie (R-Lino Lakes) offered a delete-everything amendment that contained a broad array of tax initiatives including levy limits, a \$400 million income tax reduction, a scaled-back version of last year's taxpayer satisfaction survey, increased LGA funding tied to a failure of the constitutional dedication of the motor vehicle sales tax and a few of the local option sales tax requests that have been introduced this year.

During the hearing, the stack of amendments seemed to grow faster than the committee could process them and at one point there were rumors of more than 60 drafted amendments. Before the night was over, the committee actually processed approximately thirty of those amendments. For cities, the committee ultimately adopted several key





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amendments that eliminated the most onerous provisions of the bill.

Before its defeat, the bill included:

- Full funding of LGA in the next biennium with an increase of \$58 million in 2008 and \$60 million in 2009, without the funding contingency based on the defeat of MVST constitutional dedication. This amendment was offered by Rep. Paul Marquart (DFL-Dilworth).
- Restoration of \$16.7 million in 2006 MVHC reimbursement, but not until 2007. This amendment was offered by Rep. Ann Lenczewski (DFL-Bloomington).
- A general statutory authorization for cities and counties to impose local sales taxes with local voter approval with a requirement for revenue sharing with adjacent cities and townships. The sales tax authorization was offered by Rep. Ann Lenczewski (DFL-Bloomington) but the revenue sharing amendment was offered by Rep. Ray Vandevener (R-Forest Lake).
- No levy limits. Rep. Jim Davnie (DFL-Minneapolis) successfully offered the amendment to strip levy limits from the bill.

Without a House version of a tax bill, the next steps for the legislature are unclear. Tax legislation must originate in the House. The Senate processed their bill several weeks ago, but at this point they do not have a House tax bill to use as a vehicle. There are a few different scenarios that might play out before the legislature adjourns, including the possibility that the House property tax rebate bill that was approved earlier this week could become a vehicle for further tax amendments. An alternative scenario could involve the stadium bill, which currently includes a sales tax. We have also heard rumors that a small, relatively non-controversial tax bill might emerge late in the session and be lobbed over to the Senate.

On Friday morning, one other scenario unfolded--there was a move in the House Tax Committee to reconsider the omnibus bill that died the previous

evening. However, the committee overwhelmingly defeated this motion.

*Questions? Contact Jennifer O'Rourke at 651.281.1261 or [jorourke@lmnc.org](mailto:jorourke@lmnc.org).*

## Eminent domain conference committee to meet next week

The conference committee on HF 2846/SF 2750\*, the eminent domain reform legislation, did not meet this week. Sen. Tom Bakk (DFL-Cook) announced that he would convene the committee early next week to continue work on the unresolved issues in the House and Senate bills. At this meeting we expect the conferees to consider several substantive issues, including the burden of proof for redevelopment takings, environmental contamination standards, payment of attorney fees, and compensation for loss of going concern.

The conference committee chairs have also charged Rep. Abrams (R-Minnetonka) and Sen. Ortman (R-Chanhassen) to lead a working group on effective date and transition issues. We expect this working group to meet sometime next week.

*Questions? Contact Laura Harris at 651.281.1260 or [lharris@lmnc.org](mailto:lharris@lmnc.org).*

## Joint powers bill delayed

The joint powers liability clarification bill that we expected to be considered on the House floor on Thursday was delayed until next week. The bill, HF 3079, authored by Rep. Ron Abrams (R-Minnetonka) and its Senate companion SF 2648 authored by Sen. Ann Rest (DFL-New Hope) are strongly supported by the League of Minnesota Cities, the Association of Minnesota Counties, the Minnesota School Boards Association and the Minnesota Association of Townships.

The bills clarify the application of the state tort liability limits to joint powers arrangements by



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specifying that a single limit applies regardless of the number of governmental units participating in the joint powers entity or arrangement.

The bills have been strongly opposed by the Minnesota Trial Lawyers Association. They contend the legislation is unneeded and that units of government will use the clarification to avoid or minimize damage awards to injured parties. They have targeted this bill as one of their highest priorities for the 2006 session.

We expect that there will be an amendment offered on the House and Senate floors to significantly increase the tort liability limits that apply to the state and local units of government. The amendment might also include a provision that would double the tort caps for incidents involving joint powers entities.

The League is concerned about unreasonable increases in the tort limits and the cost implications for insurance coverage. In the past, we have periodically agreed to increases in the limits in order to prevent a legal challenge to their validity. The last adjustment to the tort caps was enacted during the 1997 legislative session. If an amendment is offered to the joint powers bill, the League will be working to ensure that any adjustment is reasonable.

Please contact your representatives to indicate your support for this bill. If the legislature considers adjustments to the tort caps, the adjustments must be reasonable.

*Questions? Contact Gary Carlson at 651.281.1255 or [gcarlison@lmnc.org](mailto:gcarlison@lmnc.org).*

## House Ways & Means Committee approves bill requiring photo ID and proof of citizenship to vote

On a divided vote on Wednesday, the House Ways and Means Committee voted 18-14 on a heavily

partisan basis to approve and pass HF 1443, authored by Rep. Tom Emmer (R-Delano), to the House floor for final action. The bill (which was featured in the *Cities Bulletin* on April 19) proposes far-reaching changes to voter registration and balloting procedures beginning July 1, 2007. The Senate Elections Committee voted down the companion bill, SF 923, sponsored by Sen. Michele Bachmann (R-Stillwater), when it was heard earlier this session.

The League and the Minnesota Clerks & Finance Officers Association (MCFOA) presented testimony during the House committee hearing outlining concerns about: increased chances that persons qualified to vote may be denied the opportunity to do so; the difficulty of adding more duties and responsibilities for election judges to carry out on election day; and the unfunded increased costs for storage, added polling place materials and security required by the new provisions imposed at the local level. Local election officials also raised questions about how new requirements, particularly those imposing "unverified ballot" procedures, are to be carried out, citing the prospects of increased concerns for candidates and voters who are more likely to express objections to delays in reporting of final election vote totals as a result of new restrictions.

Rep. Emmer, and other members of the committee who supported the legislation, emphasized the need to verify that persons registering to vote meet the eligibility criteria of U.S. citizenship and that incidents of voter fraud must be prevented by requiring voters whose names and addresses already appear on precinct voter rosters to also provide photo ID prior to casting their ballots. In the case of already registered voters, Rep. Emmer maintained that current procedures do not provide sufficient confirmation of the identity of registered voters.

If the bill does come up for final House action on the floor, observers expect strong objections to be voiced as they were during the lengthy and



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emotional debate that took place in the House Ways & Means Committee.

Questions? Contact Ann Higgins at 651.281.1257 or [ahiggins@lmnc.org](mailto:ahiggins@lmnc.org).

## Bonding bill conference committee underway

In a sure sign that the end of the legislative session is near, the bonding conference committee, appointed to work out the differences between the House and Senate versions of the bonding bill, has now traded initial offers. The early exchanges contain mostly non-controversial items that are included in both versions of the bill.

Early agreement has formed around several items of priority for cities, including wastewater infrastructure projects (total of \$62.1 million to WIF-grant and State Revolving Loan programs), local bridges (\$55 million), flood hazard mitigation grants (\$25 million), and the Northstar Commuter Rail project (\$60 million). Local road funding is close to agreement as well (\$15-20 million).

The final bill's total target has not been established yet, but will likely include more than \$950 million worth of projects financed by state general obligation bonds. That means, however, that over \$300 million of projects that were in one bill or the other will not be included in the final package.

A side-by-side comparison of the House and Senate bonding bills is available online at [Bonding Bill Side-by-Side](#)

Questions? Contact Craig Johnson at 651.281.1259 or [cjohnson@lmnc.org](mailto:cjohnson@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:

May 6 in Park Rapids (Energy Forum at Park Rapids High School Auditorium, 301 Huntsinger Ave, 10am) with Rep. Brita Sailer

May 8 in New Ulm; Staff representatives of U.S. Sen. Norm Coleman tour southwest Minnesota to discuss gas prices with local residents and businesses

May 9 in Lake Crystal; Staff representatives of U.S. Sen. Norm Coleman tour southwest Minnesota to discuss gas prices with local residents and businesses

May 27 - June 4 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!

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

Questions? Contact Brian Strub at 651.281.1256 or [bstrub@lmnc.org](mailto:bstrub@lmnc.org).



Coalition of Greater Minnesota Cities

# CGMC in Brief

May 4, 2006

Contact: Sarah Kleppe  
651.225.8840

## Gridlock Delays Legislative Bills

The session has reached legislative gridlock, with stalled transportation bills, a failure to reach consensus on a bonding target, and very different tax bills. It is expected that the Legislature will start to move in a more productive manner early next week. The coalition will continue to advocate for increases in Local Government Aid (LGA), improvements to the environment bills, and protecting highway funding. Be on the look out for many Action Alerts in next few weeks.

## House Tax Chair Offers Tax Bill With Some Twists

Less than 24 hours after blocking an amendment to increase LGA and reduce school property taxes, Tax Chair Phil Krinkie, R-Lino Lakes, introduced a new omnibus tax bill to his tax committee Wednesday. The tax bill includes a \$58 million increase in LGA for 2007, fully funding the current formula. The increase matches part of the LGA increases in the Senate bill. The bill contains none of the formula changes desired by CGMC.

The increase in LGA does have some strings attached:

- the increase only occurs if the voters reject the MVST constitutional amendment dedicating funds to transportation;
- the tax bill has very strict levy limits that would not allow a city to increase its levy greater than its household growth; and
- the bill contains a taxpayer satisfaction survey, though it does not have a reverse referendum like in years past.

The bill also contains a handful of local option sales taxes, reductions in income tax rates (the reductions would not go into effect until 2008), class rate modifications and \$40 million to reduce school levies.

For the 2008-09 budget biennium the bill has just over \$767 million in new spending and tax cuts with no revenue increases. If inflation is not included in the states budget forecast (as prescribed by law) the state is expecting a \$1.1 billion surplus. Including inflation (as prescribed by common sense) the state is expecting a surplus of \$148 million. Therefore, if inflation is included in the budget forecast, this tax bill will create a significant hole in the General Fund in the next biennium.

## Save these Dates!

**Thursday, June 29 at 7:30 a.m.** – CGMC breakfast meeting during the League of Minnesota Cities conference in **St. Cloud**. Details will follow.

**Wednesday, August 2 - Friday, August 4** – CGMC's annual summer conference will be held in **Red Wing**. To reserve a room at the St. James Hotel, please phone 1.800.252.1875 and ask for the CGMC rate.



05-02-06

To Mayor Gary Skalko  
And the Mt. Iron City Council

This is my official and public apology to all of you for missing the taping of Monday nights council meeting on may 1<sup>st</sup>. The first of the month snuck up on me and for some unknown reason I mistakenly thought I had a week before the next meeting would take place! I had not caught the notice in Monday's paper and on Tuesday when I realized that it was May 2<sup>nd</sup> I looked back and was totally embarrassed to find that I had indeed missed a meeting! I am independently contracted to film your city council meetings and take full responsibility and blame for this error. I am not an employee of the Quad City TV station and so the fault for this error rests entirely upon my broad but late shoulders.

Typically I set up the equipment before the building is locked up at 4pm. Although I seriously doubt that this would ever happen again, if someone notices that no equipment appears by that time , please call me at 741-5233 or Terry at 750-7595. Even at 6pm upon getting a phone call I could race to the studio, bring a camera, and tape the meeting to digital tape. I would then of course have to do some sound correction which I would gladly do to make up for my error.

Again, I apologize to all of you for missing the meeting, and you all can take turns stoning me following the next one!

Embarrassingly yours,  
Darwin Alar