

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, JUNE 15, 2009 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
  - II. Consent Agenda
    - A. Minutes of the June 1, 2009, Regular Meeting (#1-12)
    - B. Receipts
    - C. Bills and Payroll
  - III. Public Forum
  - IV. Committee and Staff Reports
    - A. Mayor's Report
      - 1. Labor – Management Meeting (#13)
    - B. City Administrator's Report
      - 1. 2008 Audit Report (#14)
      - 2. Investment Policy (#15-19)
    - C. Director of Public Works Report
      - 1. Summer Workers (#21-22)
      - 2. Water Supply Model (#23-25)
    - D. Sheriff's Department Report
      - 1. Monthly Statistics (#26)
    - E. City Attorney's Report
    - F. City Engineer's Report
    - G. Utility Advisory Board
      - 1. Accounts Receivable Payment Policy (#27-28)
    - H. Liaison Reports
  - V. Unfinished Business
  - VI. New Business
    - A. Ordinance Number 05-09 Amending ISTS Ordinance (#29-31)
    - B. Resolution Number 26-09 Authorizing Transfer of Property (#32-35)
    - C. Resolution Number 27-09 Awarding Bid (#36-38)
    - D. Resolution Number 28-09 Awarding Bid (#39-41)
    - E. Closed Meeting – Consider Strategies for Labor Negotiations (#42)
  - VII. Announcements
  - VIII. Adjourn
- # Denotes page number in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
JUNE 1, 2009

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

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

Add the following item to the agenda:

- VI. D. 1. Resolution Number 25-09
- A. Approve the minutes of the May 18, 2009, regular meeting as submitted.
- B. 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.
- C. To acknowledge the receipts for the period April 16-30, 2009, totaling \$195,620.45, (a list is attached and made a part of these minutes).

The motion carried.

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

- D. To authorize the payment of the bills and payroll for the period May 16-31, 2009, totaling \$227,213.58, (a list is attached and made a part of these minutes).  
NOTE: Excluding the bill from Colosimo, Patchin, Kearney, and Brunfelt, Ltd.

The motion carried unanimously on a roll call vote.

It was moved by Skalko and seconded by Zupancich to authorize payment of the bill to the Colosimo, Patchin, Kearney, and Brunfelt, Ltd., in the amount of \$1,998.00. The motion carried on the following roll call vote: Zupancich, yes; Stanaway, yes; Roskoski, abstain; Prebeg, yes; and Skalko, yes.

During the public forum, Matthew Kishel, 5483 Bluebell Avenue, Mountain Iron, asked Councilor Roskoski why he felt that the citizens of Mountain Iron should pay for the legal expenses incurred because of his trespassing charges. Councilor Roskoski said that he had done this to protect his family and show everyone in Mountain Iron the politics involved in the City. Mr. Kishel also asked what the procedure for a recall vote would be. The City Administrator said that he would contact the City Attorney to seek this information.

The Zoning Administrator was present and asked who would make the determination on what would be considered a muted color for single family dwellings in Unity Second Addition as per the covenants. The City Administrator said that this should be referred back to the Planning and Zoning Commission or City Staff for a recommendation.

The Mayor updated the Council on the following:

- City Council procedures. He advised the Council that he is the presiding officer of the Council and he would follow the agenda at the meeting and not allow a question and answer period for items that can be discussed with City Staff outside of the meetings.
- Tour of Holiday Inn Express. He reported that several members of the City Council and EDA had toured the facility and it would be opened on June 2, 2009. He said that the facility would provide 25 jobs and added \$9 million dollars of value to the City. He also said that there was no tax increment financing used for the construction of the project and there were no tax abatements approved.

Gary Cerkvenik and Jeff Buffetta made a presentation regarding the proposed Arrowhead Amateur Sports Complex. Mr. Cerkvenik said that the 2010 Minnesota Legislature was going to start the next session in February 2010 and every other year they approve a major bonding and construction bill of approximately \$1.2-\$1.5 billion dollars. He said that he would like the support of the City Council to proceed with a request to locate a Sports Complex within the City of Mountain Iron.

It was moved by Zupancich and seconded by Skalko to authorize the Mountain Iron Economic Development Authority (EDA) to apply, by the June 25<sup>th</sup> deadline, to the State Department of Management and Budget for an Arrowhead Amateur Sports Complex subject to EDA approval and the Mountain Iron-Buhl School District participation. The motion carried.

It was moved by Prebeg and seconded by Stanaway to adopt Resolution Number 25-09, approving laws of Minnesota 2009, Chapter 110, Section 34, permitting the Mountain Iron Economic Development Authority to form a limited liability company, (a copy is attached and made a part of these minutes). The motion carried with Roskoski voting no.

It was moved by Zupancich and seconded by Prebeg that the liquor license applications for the period June 1, 2009 through December 31, 2009, be approved and issued to the following individual and business establishment pursuant to the approval, where necessary, of the Liquor Control Commission and pursuant to the payment of all outstanding license fees and utility charges:

Home on the Range LLC  
DBA: Holiday Inn Express & Suites  
8570 Rock Ridge Drive  
Mountain Iron, MN 55768

3.2 Beer License  
Wine License

The motion carried.

The City Administrator updated the Council on the following:

- GIS Project. He advised the Council that there may still be workers in the City with GPS Units working on the GIS Project in the City.
- Unity Drive Railroad Crossing. This project should be completed now.

It was moved by Roskoski to have the Mountain Iron Sheriffs Department notify Mr. Strumbell, in writing, about the fire that took place on his property, east of Ann's Acres, on May 13, 2009, with the City Council Members copied on the correspondence. The **motion died** for lack of support.

It was moved by Zupancich and seconded by Stanaway to authorize Benchmark Engineering, working with the Director of Public Works, to represent the City of Mountain Iron at the East Range Water Sewer District meetings. The motion carried.

It was moved by Stanaway and seconded by Prebeg to authorize payment request number one to Mesabi Bituminous in the amount of \$50,825.00 for the Agate Street Storm Sewer Improvements. The motion carried on the following roll call vote: Stanaway, yes; Roskoski, no; Prebeg, yes; Zupancich, yes; and Skalko, yes.

It was moved by Zupancich and seconded by Roskoski to accept the recommendation of the Planning and Zoning Commission and approve the Conditional Use Permit for Summit Signs and Home on the Range LLC, to place an off-site sign on Lots 13 and 14, Block 8, West Virginia Addition to Mountain Iron, parcels 175-0065-01590 and 01600. The motion carried.

It was moved by Stanaway and seconded by Prebeg to authorize the Sheriffs Department to purchase a Ford F150 Crew Cab pickup truck at a cost of \$24,465.55 from Lundgren Motor. The motion carried on the following roll call vote: Roskoski, no; Prebeg, yes; Zupancich, yes; Stanaway, yes; and Skalko, yes.

It was moved by Stanaway and seconded by Roskoski to forward the specifications for bids for the purchase of the Quick Attack Wildland Fire Apparatus with one correction changing the 100 foot to 200 foot reel. The motion carried.

The following were discussed during the Liaison Reports:

- Library Board. Councilor Stanaway advised the Council that the Regional Library System had been conducting Community Focus Groups. He said that when the meetings are completed, a good community vision report should be submitted to the City. Councilor Prebeg commented on the usage at the Library and commended the Library Staff for all that they do at the Library to increase usage.

- Planning and Zoning Commission. Councilor Zupancich said that the Commission was currently reviewing the covenants of Unity Addition because of a request to construct a storage building on the property. He said that the City Attorney was currently reviewing the situation.
- Public Health and Safety Board. Councilor Roskoski said that the Board is reviewing having peddlers in Mountain Iron obtaining official identification from the City before being able to work in the City.

It was moved by Zupancich and seconded by Prebeg to adopt Resolution Number 22-09, authorizing the City Administrator to make application to the Iron Range Resources Public Works (FY10) Grant Program for the Mountain Iron Wastewater Treatment Plant Upgrade, (a copy is attached and made a part of these minutes). The motion carried.

It was the consensus of the Council to send a letter of thanks to Representative Rukavina and Senator Tomassoni for the work they completed to get the Iron Range Resources Public Works Grant funding for the City.

It was moved by Prebeg and seconded by Stanaway to adopt Resolution Number 23-09, applying to the Minnesota Public Facilities Authority Clean Water Revolving Fund/Drinking Water Revolving Fund, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Zupancich and seconded by Stanaway to adopt Resolution Number 24-09, approving plans and specifications and ordering advertisement for bids, (a copy is attached and made a part of these minutes). The motion carried with Roskoski voting no.

At 8:06 p.m., it was moved by Zupancich and seconded by Skalko to recess the regular meeting and go into a closed session to discuss negotiations strategies with AFSCME Local Union #453. The motion carried.

The Council took a brief recess.

At 8:20 p.m., the Mayor convened the closed session with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; and Don Kleinschmidt, Director of Public Works.

The Mayor said that the purpose of the closed session was to discuss contract negotiations strategies with AFSCME Local Union #453.

It was moved by Zupancich and seconded by Skalko to adjourn the closed session and reconvene the regular meeting. The motion carried.

At 8:28 p.m., it was moved by Zupancich and seconded by Roskoski that the meeting be adjourned. The motion carried.

Submitted by:

*Jill M. Anderson*

Jill M. Anderson, CMC/MMCA  
Municipal Services Secretary

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

#### COMMUNICATIONS

1. Mountain Iron-Buhl Archery Team, a thank you.
2. Tom Rukavina, State Representative, Minnesota House of Representatives, a letter advising the City of the funding from Taconite Area Environmental Protection Fund.

## Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	111,773.56
CAMPGROUND RECEIPTS	FEES	3,795.00
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	1,610.00
PERMITS	BUILDING	3,063.02
COPIES	COPIES	9.00
BUILDING RENTALS	COMMUNITY CENTER	100.00
MISCELLANEOUS	ASSESSMENT SEARCHES	20.00
CD INTEREST	CD INTEREST 378	1,029.02
CD INTEREST	CD INTEREST 602	245.74
CD INTEREST	CD INTEREST 603	261.11
MISCELLANEOUS	SEPTIC APPLICATIONS	300.00
LICENSES	ANIMAL	15.00
MISCELLANEOUS	BASEBALL/SOFTBALL FEES	680.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	400.00
BUILDING RENTALS	NICHOLS HALL	25.00
BUILDING RENTALS	SENIOR CENTER	50.00
MISCELLANEOUS	GRANTS RECEIVABLE	20,000.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	31,818.13
FINES	CRIMINAL	1,183.51
MISCELLANEOUS	MISC. INCOME-ELECTRIC ACCT	2,236.17
MISCELLANEOUS	OVERPMT-ADMIN-PHONE	778.18
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	15,888.01
CHARGE FOR SERVICES	WATER-CHARGE FOR SERVICES	35.00
PERMITS	VARIANCE	150.00
MISCELLANEOUS	CHECK RETURN FEE	20.00
METER DEPOSITS	ELECTRIC	100.00
CHARGE FOR SERVICES	SERVICES, FEES, MISC.	35.00
Summary Totals:		<u>195,620.45</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
06/09	06/02/2009	137996	10010	ARROW AUTO	604-20200	34.27
06/09	06/02/2009	137997	10020	ASPEN EQUIPMENT COMPANY	604-20200	44.75
06/09	06/02/2009	137998	5007	ASSURANT EMPLOYEE BENEFITS	604-20200	542.32
06/09	06/02/2009	137999	10042	AUTO VALUE VIRGINIA	101-20200	31.62
06/09	06/02/2009	138000	20048	BARNES DISTRIBUTION	101-20200	249.10
06/09	06/02/2009	138001	20022	BENCHMARK ENGINEERING INC	602-20200	37,498.00
06/09	06/02/2009	138002	30017	CARQUEST (MOUNTAIN IRON)	101-20200	522.35
06/09	06/02/2009	138003	30022	COLOSIMO PATCHIN KEARNEY	101-20200	1,998.00
06/09	06/02/2009	138004	606	CONNECTIONS ACADEMY	101-20200	200.00
06/09	06/02/2009	138005	30011	CONVEYOR BELT SERVICE INC	101-20200	47.93
06/09	06/02/2009	138006	30072	CW TECHNOLOGY	301-20200	5,880.30
06/09	06/02/2009	138007	601	DAVE'S TOWING	604-20200	238.56
06/09	06/02/2009	138008	5049	DAWN & GARY SAVELA	101-20200	100.00
06/09	06/02/2009	138009	608	DIANE BAINTE	101-20200	250.00
06/09	06/02/2009	138010	6005	DONNA OLSON	101-20200	200.00
06/09	06/02/2009	138011	60002	FENA ADVERTISING	604-20200	963.09
06/09	06/02/2009	138012	60029	FERGUSON ENTERPRISES INC	604-20200	37.52
06/09	06/02/2009	138013	60006	FISHER PRINTING	101-20200	218.33
06/09	06/02/2009	138014	70035	G & K SERVICES	101-20200	43.54
06/09	06/02/2009	138015	80017	HENRY'S WATERWORKS INC	601-20200	415.73
06/09	06/02/2009	138016	80001	HILLYARD/HUTCHINSON	101-20200	502.31
06/09	06/02/2009	138017	609	KEITH WESTIN	101-20200	200.00
06/09	06/02/2009	138018	110006	KEN WASCHKE AUTO PLAZA	101-20200	49.11
06/09	06/02/2009	138019	604	KIM YELENICH	101-20200	200.00
06/09	06/02/2009	138020	120032	LAKE COUNTRY POWER	101-20200	197.03
06/09	06/02/2009	138021	610	LAKEHEAD CONSTRUCTORS	604-20200	121.74
06/09	06/02/2009	138022	120002	LAWSON PRODUCTS INC	101-20200	290.06
06/09	06/02/2009	138023	120014	LUNDGREN MOTORS	101-20200	22.32
06/09	06/02/2009	138024	6034	LYNN LAPATKA	101-20200	200.00
06/09	06/02/2009	138025	607	MARY LYNN GOLOBICH	101-20200	200.00
06/09	06/02/2009	138026	130041	MESABI BITUMINOUS	301-20200	50,825.00
06/09	06/02/2009	138027	130004	MESABI DAILY NEWS	101-20200	1,942.33
06/09	06/02/2009	138028	130006	MESABI HUMANE SOCIETY	101-20200	1,500.00
06/09	06/02/2009	138029	130026	MESABI SIGN COMPANY	101-20200	626.97
06/09	06/02/2009	138030	130066	MINNESOTA POLLUTION CONTROL AG	602-20200	23.00
06/09	06/02/2009	138031	130009	MINNESOTA POWER	101-20200	1,114.19
06/09	06/02/2009	138032	602	MINNESOTA TEEN CHALLENGE	101-20200	200.00
06/09	06/02/2009	138033	130125	MUNICIPAL EMERGENCY SERVICES	101-20200	119.76
06/09	06/02/2009	138034	140055	NORTHERN VISUAL SERVICES	101-20200	30.00
06/09	06/02/2009	138035	40032	OFFICE OF ENTERPRISE TECHNOLOG	101-20200	430.32
06/09	06/02/2009	138036	150003	OVERHEAD DOOR	101-20200	93.75
06/09	06/02/2009	138037	160032	PORTABLE JOHN	101-20200	176.28
06/09	06/02/2009	138038	180001	RANGE PAPER	602-20200	120.83
06/09	06/02/2009	138039	190004	SKUBIC BROS INC	603-20200	642.41
06/09	06/02/2009	138040	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	35,833.00
06/09	06/02/2009	138041	190061	SULLIVAN CANDY & SUPPLY	101-20200	94.77
06/09	06/02/2009	138042	605	TABITHA TAPIO	101-20200	100.00
06/09	06/02/2009	138043	603	TERRI LARSEN	101-20200	200.00
06/09	06/02/2009	138044	200020	THE TRENTI LAW FIRM	101-20200	545.50
06/09	06/02/2009	138045	611	TONYA PACKARD	101-20200	120.00
06/09	06/02/2009	138046	200036	TRITEC OF MINNESOTA INC	101-20200	99.05
06/09	06/02/2009	138047	200010	TUCK N ROLL UPHOLSTERY	604-20200	50.00
06/09	06/02/2009	138048	210001	UNITED ELECTRIC COMPANY	604-20200	506.98
06/09	06/02/2009	138049	220014	VIKING INDUSTRIAL NORTH	101-20200	840.94
06/09	06/02/2009	138050	220004	VIRGINIA DEPARTMENT OF PUBLIC	604-20200	26,137.33
06/09	06/02/2009	138051	230005	WESCO DISTRIBUTION INC	604-20200	1,438.30

M = Manual Check, V = Void Check



Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
Totals:						<u>175,308.69</u>
Payroll-PP Ending 5/29/09						<u>51,904.89</u>
TOTAL EXPENDITURES						<u>\$227,213.58</u>



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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## RESOLUTION NUMBER 22-09

### **AUTHORIZING THE CITY ADMINISTRATOR TO MAKE APPLICATION TO THE IRON RANGE RESOURCES PUBLIC WORKS (FY10) GRANT PROGRAM FOR THE MOUNTAIN IRON WASTE WATER TREATMENT PLANT UPGRADE**

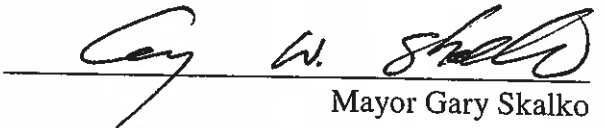
WHEREAS, the Mountain Iron City Council approves of the above application because it supports community and economic development.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that it does hereby adopt this Resolution.

DULY ADOPTED BY THE CITY COUNCIL THIS 1<sup>st</sup> DAY OF JUNE, 2009.

ATTEST:

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

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



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 23-09

### APPLYING TO THE MINNESOTA PUBLIC FACILITIES AUTHORITY CLEAN WATER REVOLVING FUND/DRINKING WATER REVOLVING FUND

**BE IT RESOLVED** that the City of Mountain Iron is hereby applying to the Minnesota Public Facilities Authority for a loan from the Clean Water Revolving Fund/ for improvements to its municipal wastewater treatment system as described in the loan application.

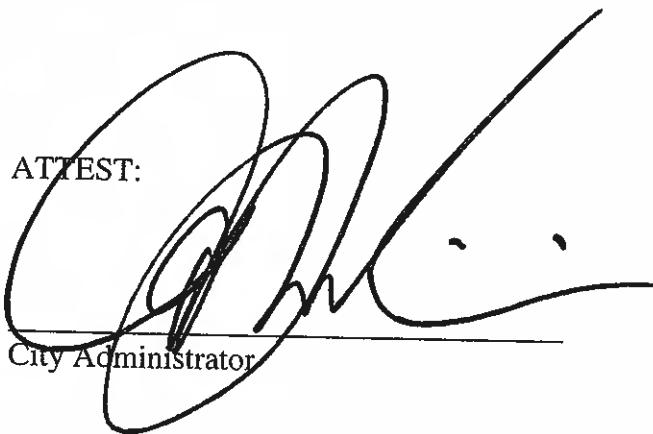
**BE IT FURTHER RESOLVED** that the City of Mountain Iron estimates the loan amount to be \$600,000 or the as-bid cost of the project.

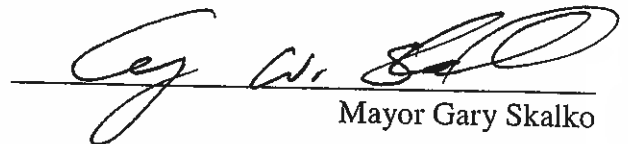
**BE IT FURTHER RESOLVED** that the City of Mountain Iron has the legal authority to apply for the loan, and the financial, technical, and managerial capacity to repay the loan and ensure proper construction, operation and maintenance of the project for its design life.

**BE IT FURTHER RESOLVED** that the City of Mountain Iron hereby expresses its official intent to use proceeds of this loan to reimburse construction expenditures made prior to the issuance of its general obligation bond to the Public Facilities Authority.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1<sup>st</sup> DAY OF JUNE, 2009.**

ATTEST:

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

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



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 24-09

### APPROVING PLANS AND SPECIFICATIONS AND ORDERING ADVERTISEMENT FOR BIDS

WHEREAS, pursuant to a Resolution Number 10-09 passed by the City Council March 16, 2009, the city engineer has prepared plans and specifications the improvement of the area between Mineral Avenue and the DM&IR RR ROW along the general area of the RR Spur located in the Southwest Quarter of Section 10, Township 58 North, Range 18 West by the installation of water and wastewater mains and has presented such plans and specifications to the City Council for approval;

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

1. Such plans and specifications, a copy of which is attached hereto and made a part hereof, are hereby approved.
2. The City Administrator shall prepare and cause to be inserted in the official paper an advertisement for bids upon the making of such improvement under such approved plans and specifications. The advertisement shall be published for two days, shall specify the work to be done, shall state that bids will be received by the City Administrator until 10:00 a.m. on June 30, 2009, at which time they will be publicly opened in the City Council chambers of the City Hall by the City Administrator and engineer, will then be tabulated, and will be considered by the City Council at 6:30 p.m. on July 6, 2009, in the City Council chambers of the City Hall. Any bidder whose responsibility is questioned during consideration of the bid will be given an opportunity to address the City Council on the issue of responsibility. No bids will be considered unless sealed and filed with the City Administrator and accompanied by a cash deposit, cashier's check, bid bond or certified check payable to the City of Mountain Iron for ten (10%) percent of the amount of such bid.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1<sup>st</sup> DAY OF JUNE, 2009.**

ATTEST:

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

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



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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## RESOLUTION NUMBER 25-09

### APPROVING LAWS OF MINNESOTA 2009, CHAPTER 110, SECTION 34 PERMITTING THE MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY TO FORM A LIMITED LIABILITY COMPANY

**WHEREAS**, the City of Mountain Iron desires that its Economic Development Authority form and become a member of a limited liability company for the purpose of developing a community-based energy development (C-BED) project pursuant to Minnesota Statutes section 216B.1612; and

**WHEREAS**, the City of Mountain Iron desires that its Economic Development Authority execute land lease agreements for property outside the City's jurisdictional boundaries for the purpose of developing a C-BED project; and

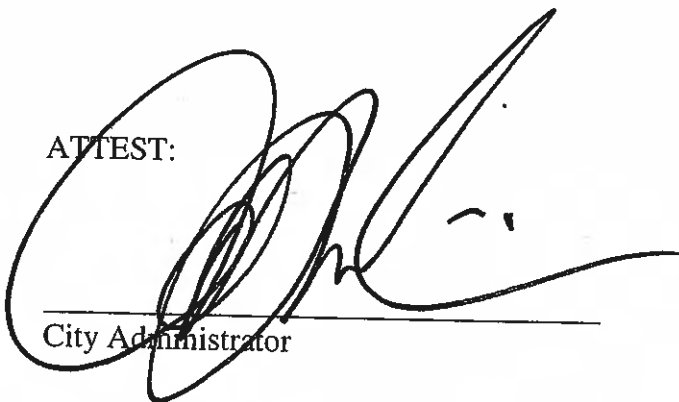
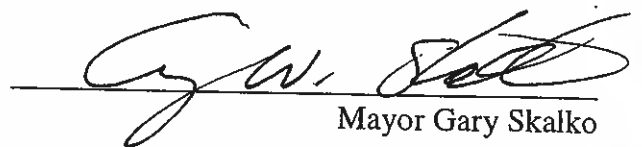
**WHEREAS**, the Minnesota Legislature has enacted Laws of Minnesota 2009, Chapter 110, Section 34, which provides authority to accomplish these objectives; and

**WHEREAS**, Laws of Minnesota 2009, Chapter 110, Section 34 requires that the City of Mountain Iron must, by resolution, approve the special law and file that resolution with the Secretary of State.

**NOW THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF MOUNTAIN IRON, MINNESOTA**, that it hereby approves Laws of Minnesota 2009, Chapter 110, Section 34, and that the City Clerk shall file this resolution with the Minnesota Secretary of State in accordance with Minnesota Statutes section 645.021.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1<sup>st</sup> DAY OF JUNE, 2009.**

ATTEST:

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

**COUNCIL LETTER 061509-IVA1**

**MAYOR SKALKO**

**LABOR MANAGEMENT MEETING**

**DATE:** June 10, 2009  
**FROM:** Mayor Gary Skalko  
Craig J. Wainio  
City Administrator

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

Tentatively set a Labor Management Meeting for June 23<sup>rd</sup> at 2pm.

**COUNCIL LETTER 061509-IVB1**

**ADMINISTRATION**

**2008 AUDIT**

**DATE:** June 10, 2009  
**FROM:** Craig J. Wainio  
City Administrator

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Mr. Gary Giroux will be in attendance at the meeting to present and discuss the 2008 Audit which has been included for your review.

**COUNCIL LETTER 061509-IVB2**

**ADMINISTRATION**

**INVESTMENT POLICY AMENDMENT**

**DATE:** June 10, 2009  
**FROM:** Craig J. Wainio  
City Administrator

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As part of the audit process, the Auditors have recommended that the City amend its investment policy to include two additional areas, that of Deposit Custodial Risk and Investment Custodial Risk. Enclosed, please find a copy of the updated investment policy with the amendments highlighted.

It is recommended that the City Council adopt the amended Investment Policy as presented.



# INVESTMENT POLICY

Policy Number 2007-01

Adopted March 5, 2007  
Amended June 15, 2009

## I. SCOPE

The purpose of this Policy statement is to establish standards governing the investment of City funds. In accordance with Minnesota Statutes 385.05 and 118A.02, the City Treasurer is authorized to invest the City's funds in accordance with the Minnesota Statute of 118A.04 and 118A.05, which defines the types of securities and financial instruments we are allowed to purchase. The investment policy applies to all the investment activities of the City of Mountain Iron.

## II. OBJECTIVE

The primary objectives, in priority order, of investment activities shall be:

### 1. Safety

Safety of principal is the foremost objective of the City of Mountain Iron. Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and market risk.

### 2. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). However, we practice the philosophy of "buy and hold". What this means is that whenever we buy a security, it is our intention to hold it until it matures.

### 3. Return on Investments

The investment portfolio shall be designed with the objective of attaining a market rate of return given cash flow characteristics of the portfolio. The core of investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall not be sold prior to maturity except when the liquidity needs of the portfolio require that the security be sold.

### **III. STANDARDS OF CARE**

#### **1. Prudence**

The standard of prudence to be used by investment officials shall be the "prudent person" standard which states: "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived." The prudent investor rule shall be applied in the context of managing the overall portfolio.

#### **2. Delegation of Authority**

The City Council of the City is ultimately responsible for the investment of funds. Minnesota Statutes Chapter 118A.02 delegates or authorizes the Treasurer to conduct the actual transactions. Therefore, the City Administrator is appointed as the Investments Officer and is authorized to invest public funds within the confines of this Policy for the City Council.

### **IV. Safekeeping and Custody**

#### **1. Authorized Financial Dealer and Institution**

The City will conduct its investment transactions with several legal, competing, reputable investment securities dealers or banks located in the United States. The City will obtain a completed "Notification to Broker and Certification by Broker" statement of investment restrictions from each dealer in accordance with Minnesota Statute 118A.04.

#### **2. Delivery vs. Payment**

All trades where applicable will be executed by delivery vs. payment (DVP). This ensures that securities are deposited in the eligible financial institution prior to the release of funds. Securities will be held by a third party custodian as evidenced by safekeeping receipts.

### **V. SUITABLE AND AUTHORIZED INVESTMENTS**

The City will invest only in instruments permitted by Minnesota Statutes 118A.04-.05, which are categorized as follows:

1. United States securities-governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by the Acts of Congress.

2. State and Local securities-general obligations securities of any state or local government rated "A" or better, revenue obligation securities of any state or local government rated "AA" or better; and a general obligation of the Minnesota housing finance agency which is a moral obligation of the State and is rated "A" or better.
3. Commercial paper-unsecured promissory notes by corporations that are rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.
4. Time deposits-certificates of deposit fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United State banks; or have full collateral by the financial institution.
5. Repurchase agreements (Repos)-contracts whereby a holder of securities sells the securities to an investor and agrees to repurchase them at a fixed price on a fixed date. The City in effect lends money to another party and holds the security as collateral until it is repurchased by the other party.
6. Money market mutual funds-shares of a Minnesota joint powers investment trust whose investments are restricted to securities described in (1) through (5) above, or shares of an investment company that meets the requirements of Minnesota Statutes 118A.05, subd. 4 (4).

## **VI. INVESTMENT PARAMETERS**

### **1. Diversification**

The investments will be diversified by:

- a. limiting investments to avoid over-concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities),
- b. investing in securities with varying maturities.

### **2. Maximum Maturities**

To the extent possible, the City of Mountain Iron will attempt to match its investments with anticipated cash flow requirements. In this manner, we "ladder" our investment maturities to ensure that a portion of the portfolio is maturing monthly, or as needed to meet projected expenditures. Unless matched to a specific cash flow, the City of Mountain Iron will not directly invest in securities maturing more than 10 years from the date of purchase. Reserve funds may be invested in securities exceeding 5 years if the maturity of such investments are made to coincide as nearly as practicable with the expected use of funds.

### **3. Speculative Investments Not Allowed**

The City will not purchase investments which, at the time of investment, are not intended to be held to maturity, or which the City would not be able to hold to

maturity because of cash flow requirements. This does not mean that an investment cannot be sold prior to maturity.

## VII. REPORTING

Annually, the City Administrator will submit a current listing of the City's investments to the City Council.

## VIII. COMPETITIVE SELECTION OF INVESTMENT PURCHASES

For each investment opportunity, when possible, quotes will be solicited from at least three authorized financial institutions for options with regards to term and instrument. The City will accept the quote that it determines best complies with the investment Objectives and Diversification constraints described in this Policy.

## ~~IX. DEPOSIT CUSTODIAL CREDIT RISK~~

~~The City will minimize deposit Custodial Credit Risk, which is the risk of loss of failure of the depository bank (or credit union), by obtaining collateral or bond for all uninsured amounts on deposit, and by obtaining necessary documentation to show compliance with state law and a perfected security interest under federal law. (June 15, 2009)~~

## ~~X. INVESTMENT CUSTODIAL CREDIT RISK~~

~~The City will eliminate investment Custodial Credit Risk by permitting brokers that obtained investments for the City to hold them only to the extent there is SIPC and excess SIPC coverage available. Securities purchased that exceed available SIPC coverages shall be transferred to the City's custodian. (June 15, 2009)~~

## XI. POLICY

### 1. Exemption

Any investment currently held that does not meet the guidelines of this policy shall be exempted from the requirements of this policy. At maturity or liquidation, such monies shall be reinvested only as provided by this policy.

### 2. Amendment

This policy shall be reviewed on an annual basis by the City Administrator. Any changes must be approved by the City Council.

June 3, 2009

The Honorable Gary Skalko  
Mayor, City of Mountain Iron  
8586 Enterprise Drive S.  
Mountain Iron, MN 55768

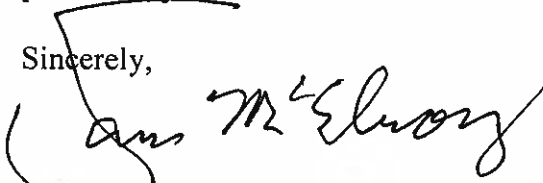
Dear Mayor Skalko:

The Department of Employment and Economic Development (DEED) is pleased to inform you that your applications for Contamination Investigation grants for the Nichols Town Dump and the Mountain Iron Dump have been approved for funding. DEED received a total of eleven Cleanup and eight Investigation applications and these two Mountain Iron sites were selected for awards.

DEED will award the City of Mountain Iron \$50,000 for the investigation of contaminants at the Nichols Town Dump and an additional \$50,000 in investigation funds for the Mountain Iron Dump as outlined in the applications. You will soon be receiving grant agreements that must be signed and returned to DEED for execution. Once the grant agreements are fully executed, you can begin drawing funds. For additional information, contact Kristin Lukes, Brownfields and Redevelopment Director, at 651-259-7451.

Congratulations to you and your staff for putting together successful applications. You can be proud of a job well done.

Sincerely,



Dan McElroy  
Commissioner

C: Craig Wainio  
Joseph Palo

**Business and Community Development Division**

1st National Bank Building ■ 332 Minnesota Street, Suite E200 ■ Saint Paul, MN 55101-1351 USA ■ [www.positivelyminnesota.com](http://www.positivelyminnesota.com)

Toll Free: 800-657-3858 ■ Phone: 651-259-7114 ■ Fax: 651-296-5287 ■ TTY/TDD: 651-282-5909

**COUNCIL LETTER 061509-IVC1**

**PUBLIC WORKS**

**2009 SUMMER WORKERS**

**DATE:** June 10, 2009  
**FROM:** Don Kleinschmidt  
Director of Public Works

---

The attached list is the most current list of summer seasonal workers for the City of Mountain Iron. It should be noted that changes may be added or deleted as necessary.

2009 Public Works/Public Utilities Seasonal Workers

5017	John Bekkala	\$8.50/Hr.
5041	Steven Golobich	\$8.00/Hr.
5007	Anna Jordan	\$8.00/Hr.
5019	Kyle Lawrence	\$8.25/Hr.
5021	Andy Nikolanci	\$8.25/Hr.
5022	David Niska	\$8.25/Hr.
5010	Garrett Niska	\$8.00/Hr.
5050	McKenzie Overbye	\$8.00/Hr.

2009 Recreation Dept. Workers

5052	Cody Jones	\$8.00/Hr.	Assistant T-Ball Coach
5056	Stephanie Morrisette	\$8.00/Hr.	Assistant Ponies Coach
5054	Kelly Jones	\$8.00/Hr.	Assistant Ponies Coach
5004	Jordan Deutsch	\$8.00/Hr.	Assistant Minors Coach
5007	Anna Jordan	\$1000/Season	Adult Coach
5010	Garrett Niska	\$1000/Season	Adult T-Ball Coach
5025	Chelsea Rubow	\$1000/Season	Adult T-Ball Coach
5033	Joseph Bissonette	\$1000/Season	Adult Minors Coach
4015	Terry Niska	\$1000/Season	Adult Ponies Coach
5051	Clark Chesser	\$1000/Season	Adult Ponies Coach
5034	Brian Wilson	\$500/Season	Adult Majors Coach
5035	Michael Erickson	\$500/Season	Adult Majors Coach
5049	Raija Sarich	\$300/Season	Tennis Coach
5037	Jim Bialczak	\$35/Game	Umpire
5053	Aaron Marcella	\$25/Game	Umpire
5010	Garrett Niska	\$25/Game	Umpire
5041	Steven Golobich	\$25/Game	Umpire

2009 Library Workers

5038	Jill Papin	\$8.00/Hr.	Library Aide
5055	Kayla Long	\$8.00/Hr.	Library Aide

2009 West II Rivers Campground Caretaker

5014	William Haapala	\$575.00/Week
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**COUNCIL LETTER 061509-IVC2**

**UTILITY ADVISORY BOARD**

**WATER SUPPLY MODEL**

**DATE:** June 10, 2009

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

---

Staff is recommending the City Council authorize Benchmark Engineering to assemble the water supply model, perform the system analysis and produce the feasibility study for a lump sum price of \$11,200.00.





# BENCHMARK ENGINEERING, INC.

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

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

May 26, 2009

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

RE: City Water System Study Proposal

Dear Mr. Wainio:

Due to recent improvements and development in the City of Mountain Iron, Benchmark Engineering, Inc. believes that consideration should be given to developing a model of the city water system. With development of new business and commercial districts, the water flow and pressure in these areas are of particular interest. These particular developments will be increasing the demand on the water system, as well as having requirements for fire suppression systems.

This computer model would allow the City to review the water system for areas that should be considered for repairs or additions. Benchmark Engineering, Inc. would develop the model in Haested Methods WaterCad software and perform the analysis of the system. A feasibility study would be compiled along with recommendations and cost estimates for improvements. The feasibility study and estimates could then be used to seek grant sources for any improvements.

The following is a breakdown of the time anticipated to compile and analyze the water system model and complete the feasibility study:

- Compile Water System Information  
Engineering Technician – 32 hours
- Compute, Calibrate and Analyze Water System Model  
Professional Engineer – 60 hours
- Evaluate Recommendations, Compile Estimates, and Prepare Feasibility Study  
Professional Engineer – 20 hours

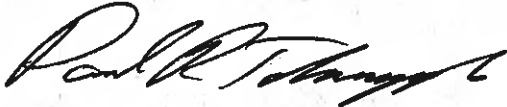
Benchmark Engineering, Inc. proposes to assemble the water system model, perform the system analysis, and produce the feasibility study for a Lump Sum Price of \$11,200.

If current water flow and pressure data is unavailable and data collection is required, a two person crew will need to collect data in the field. One person monitors the system water pressure while the second

person measures the water flow during the field measurements. This work can be performed at an hourly cost of \$110 per hour.

Thank you and please contact me at (218) 735-8914 with any questions or comments that you may have.

Sincerely,  
**Benchmark Engineering, Inc**



Paul R. Tokarczyk, PE



# Saint Louis County

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

Ross Litman  
Sheriff

**To:** Mountain Iron Mayor and City Council  
**From:** Sgt. John Backman *JLB*  
**Re:** May 2009 Statistics  
**Date:** June 5, 2009

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

- 9 Disturbances (arguments, threats, unwanted persons, trespass, 911 hangup)
- 10 Public assists (car unlocks, roadside assistance, vehicle checks, patrol requests)
- 10 Suspicious persons/vehicles/circumstance
- 5 Motor vehicle crashes
- 2 Welfare checks, suicide threats, neglect/abandon children, runaway/lost/missing
- 14 Fire & medical
- 1 Drug related calls
- 1 Alarms
- 2 Assaults
- 1 Damage to property
- 5 Thefts
- 5 Burglary/attempted burglary
- 17 Other calls (civil disputes, child custody, animal complaints, traffic complaints, warrant service, miscellaneous)
- 94 Traffic stops
- 19 Traffic related citations
- 5 DUI
- 12 Assists: 6 Sheriff's 5 Virginia PD 1 Other PDs 2 inside Mountain Iron

This activity resulted in 11 custodial arrests.

**COUNCIL LETTER 061509-IVG1**

**UTILITY ADVISORY BOARD**

**REVISE ACCOUNTS  
RECEIVABLE PAYMENT POLICY**

**DATE:** June 10, 2009

**FROM:** Utility Advisory Board

Don Kleinschmidt  
Director of Public Works

---

The Utility Advisory Board is recommending to the City Council that the revised Accounts Receivable Payment Policy be adopted when payments are received by credit or debit cards for all charges and fees owed to the City including utility bills.

# ACCOUNTS RECEIVABLE PAYMENT POLICY

Policy Number 2009-

Adopted:

The City of Mountain Iron hereby establishes that all charges and fees owed to the City, including utility bills, will be charged a fee of 3% the total amount owed if paid by credit or debit card. All charges and fees may be paid by cash, check, money order or direct wire transfer.

The City Administrator or Director of Public Works may revise this policy as needed or waive the fee on credit or debit card use for extenuating circumstances.

**COUNCIL LETTER 061509-VIA**

**ADMINISTRATION**

**ORDINANCE NUMBER 05-09**

**DATE:** June 10, 2009  
**FROM:** Craig J. Wainio  
City Administrator

---

Ordinance Number 05-09 amends the Mountain Iron City Code with regard to Individual Sewage Treatment Systems. The Minnesota Pollution Control Agency has updated the agency rules regulating the installation and maintenance of Individual Sewage Treatment Systems and the City needs to update its ordinance to reflect these changes. By making these changes the City will be able to continue providing this service to its rural residents.

Sometime within the next six to eight months, Staff may be requesting another change to the ISTS ordinance. Upon St. Louis County's adoption of a new and reasonable ordinance in compliance with MPCA rules, Staff will be recommending that the regulation of ISTS's be delegated to the County.

It is recommended that the City Council adopt Ordinance Number 05-09 Amending Chapter 55 of the Mountain Iron City Code.



# CITY OF MOUNTAIN IRON

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## ORDINANCE NUMBER 05-09

### AMENDING THE TEXT OF CHAPTER 55, SECTION 55.22 OF THE MOUNTAIN IRON CITY CODE, REGULATION OF INDIVIDUAL SEWAGE TREATMENT SYSTEMS

THE CITY OF MOUNTAIN IRON ORDAINS:

**SECTION 1. AMENDMENTS.** The text of Chapter 55 of the City Code, Section 55.22, is hereby repealed and replaced with the following:

#### Section 55.22 - Regulation of Individual Sewage Treatment Systems

- Subd. 1 Purpose. The purpose of the Sewage and Wastewater Treatment Systems Ordinance is to provide minimum standards for and regulation of individual sewage treatment systems (ISTS) and septage disposal including the proper location, design, construction, operation, maintenance and repair to protect surface water and ground water from contamination by human sewage and waterborne household and commercial waste; to protect the public's health and safety, and to eliminate or prevent the development of public nuisances pursuant to the authority granted under Minnesota Statutes Chapters 115.55 and 115.56 and Minnesota Rules Chapter 7080, 7081, 7082 and 7083 as amended that may pertain to sewage and wastewater treatment.
- Subd. 2 Standards Adopted by Reference. The City hereby adopts, by reference, Minnesota Rules Parts 7080, 7081, 7082 and 7083, as now constituted and as amended from time to time.
- Subd. 3 Permits. No person shall install, alter, repair or extend any individual sewage treatment system in the City without first applying for and obtaining a permit from the City of Mountain Iron.
- Subd. 4 Administration of Section. For purposes of this Ordinance, the City Council shall appoint an agent to serve as the individual sewage treatment inspector for the City of Mountain Iron. The said agent shall be responsible for the administration of the Individual Sewage Treatment System Standards.

Subd. 5 License Requirements. No person shall engage in the evaluation, inspection, design, installation, construction, alteration extension, repair, maintenance or pumping of on-site individual sewage treatment systems without first obtaining a license to perform such tasks from the Minnesota Pollution Control Agency, except as provided under paragraph 7083.

Subd. 6 Enforcement. Any person who violates any of the provisions of this ordinance or who makes any false statement on a Certificate of Compliance, shall be guilty of a misdemeanor, punishable by imprisonment or a fine or both as defined by laws.

**SECTION 2. INCONSISTENT ORDINANCES.** Any inconsistent ordinance or parts thereof are hereby repealed and replaced with the provision of this ordinance.

**SECTION 3. EFFECTIVE DATE.** This ordinance shall become effective one day after publication.

**DULY ADOPTED BY THE CITY COUNCIL THIS 15<sup>th</sup> DAY OF JUNE, 2009.**

Attested:

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

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



**COUNCIL LETTER 061509-VIB**

**ECONOMIC DEVELOPMENT**

**RESOLUTION NUMBER 26-09**

**DATE:** June 10, 2009  
**FROM:** Craig J. Wainio  
City Administrator

---

Resolution Number 26-09 approves the transfer of property within the Mountain Iron Expressway Development Plat to the Mountain Iron Economic Development Authority. The property described in this Resolution is located between the YMCA and the Dairy Queen.

Upon the completion of the transfer of the property to the EDA, the EDA will then enter into a development agreement with A&L Properties for the development of a 10,000 square foot clinic facility. The EDA would like to accomplish this at their June 17<sup>th</sup> meeting and have agreed that any profits from the sale of the property would be returned to the City and would hopefully be used for Parks and Recreation purposes.

At their meeting held on June 2, 2009, the Mountain Iron Parks and Recreation Board recommended the transfer of the property to the Economic Development Authority. It is recommended that the City Council adopt Resolution Number 26-09 Approving the Transfer of Land to the Mountain Iron Economic Development Authority.



# CITY OF MOUNTAIN IRON

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

## RESOLUTION NUMBER 26-09

### APPROVING THE TRANSFER OF LAND TO MT. IRON ECONOMIC DEVELOPMENT AUTHORITY

**WHEREAS**, the City Council of the City of Mountain Iron ("City") owns certain property located in the project area (the "Project Area) developed by the Mt. Iron Economic Development Authority (the "EDA"), pursuant to Minn. Stat. §§469.027 and 469.028, described as all of Lots Two (2) and Three (3) and the westerly 60 feet of Lot Four (4), Block Two (2), MOUNTAIN IRON EXPRESSWAY DEVELOPMENT, Saint Louis County, State of Minnesota (the "Property");

**WHEREAS**, the EDA wishes to enter into a development agreement with a new developer for construction for certain improvements located on the Property; and

**WHEREAS**, the Property must be conveyed from the City to the EDA, and from the EDA to the developer.

**NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City approves the transfer of the Property to the EDA.

**BE IT FURTHER RESOLVED** by the City Council of the City of Mountain Iron that the City authorizes its Mayor and Administrator to execute any and all such documents and instruments as may be necessary to transfer the Property to the EDA, including the quit claim deed in the form attached hereto as **Exhibit A**.

**DULY ADOPTED BY THE CITY COUNCIL THIS 15<sup>th</sup> DAY OF JUNE, 2009.**

ATTEST:

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

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

**QUIT CLAIM DEED**

DEED TAX DUE: \$

Date: \_\_\_\_\_, 2009

FOR VALUABLE CONSIDERATION, CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision under the laws of the State of Minnesota ("Grantor"), hereby conveys and quitclaims to MT. IRON ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic and political subdivision under the laws of the State of Minnesota ("Grantee"), real property in St. Louis County, Minnesota, legally described as follows:

Lots Two (2) and Three (3), Block Two (2), MOUNTAIN IRON EXPRESSWAY DEVELOPMENT, St. Louis County, Minnesota.

together with all hereditaments and appurtenances.

*Check applicable box:*

- The Seller certifies that the Seller does not know of any wells on the described real property.
- A well disclosure certificate accompanies this document.
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.
- The total consideration for this transfer of property is \$500 or less.

CITY OF MOUNTAIN IRON

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its Administrator

State of Minnesota, County of St. Louis

This instrument was acknowledged before me on \_\_\_\_\_, 2009, by Gary Skalko and Craig Wainio, the Mayor and Administrator, respectively, of the CITY OF MOUNTAIN IRON.

(seal)

\_\_\_\_\_  
*(signature of notarial officer)*

THIS INSTRUMENT WAS DRAFTED BY:  
Fryberger, Buchanan, Smith & Frederick, P.A.  
302 West Superior Street, Suite 700  
Duluth, Minnesota 55802-1863

TAX STATEMENTS FOR THE REAL PROPERTY  
DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:

M:\DOCS\08962\000068\DEELX1716.DOC



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
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## RESOLUTION NUMBER 27-09

### ACCEPTING BID

**WHEREAS**, pursuant to an advertisement for bids for the improvement of Old Highway 169 approximately from one mile west of the Costin Plat to the western city limits by overlayment and the improvement of Mill Avenue between the centerline of Agate Street and the centerline of Mountain Avenue by overlayment, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Mesabi Bituminous	\$289,556.50
Ulland Brothers	\$329,855.25

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

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

1. The Mayor and City Administrator are hereby authorized and directed to enter into the attached contract with Mesabi Bituminous of Gilbert, Minnesota in the name of the City of Mountain Iron for the improvement of Old Highway 169 approximately from one mile west of the Costin Plat to the western city limits by overlayment and the improvement of Mill Avenue between the centerline of Agate Street and the centerline of Mountain Avenue by overlayment according to the plans and specifications therefore approved by the City Council and on file in the Office of the City Administrator.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

**DULY ADOPTED BY THE CITY COUNCIL THIS 15<sup>th</sup> DAY OF JUNE, 2009.**

ATTEST:

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

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



# BENCHMARK ENGINEERING, INC.

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

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

June 10, 2009

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

Re: 2009 Street Improvements (Old Highway 169 & Mill Avenue)  
City of Mountain Iron  
Project No. MI09-07 & MI09-14

Dear Mr. Wainio,

Bids were received on June 10, 2009 for the above referenced project. A total of two (2) bids were received and upon tabulation the low bidder for the project is Mesabi Bituminous, Inc. A copy of the bid tabulation is enclosed.

If the City of Mountain Iron intends to award at its June 15, 2009 City Council meeting, it is recommended that you award the bid to Mesabi Bituminous, Inc. in the amount of **\$289,556.50**.

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

Sincerely,  
**Benchmark Engineering, Inc.**

Eric E. Fallstrom, P.E.

Enclosures



BID TABULATION  
 2009 STREET IMPROVEMENTS  
 MOUNTAIN IRON, MINNESOTA  
 PROJECT NO.: MI09-07 & MI09-14

ITEM NO.	ITEM	UNITS	QUANTITY	MILL AVENUE QUANTITY	TOTAL QUANTITY	ENGINEERS ESTIMATE		MESABI BITUMINOUS		ULLAND BROTHERS	
						ITEM COST	TOTAL AMOUNT	ITEM COST	TOTAL AMOUNT	ITEM COST	TOTAL AMOUNT
2104.503	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	590.0	10.0	600.0	\$2.00	\$1,200.00	\$3.00	\$1,800.00	\$5.75	\$3,450.00
2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN. FT.	50.0	46.0	96.0	\$3.00	\$288.00	\$3.00	\$288.00	\$3.00	\$288.00
2105.501	COMMON EXCAVATION (PV)	CU. YD.		50.0	50.0	\$20.00	\$1,000.00	\$8.00	\$400.00	\$25.00	\$1,250.00
2105.507	SUBGRADE EXCAVATION (PV)	CU. YD.	1,100.0		1,100.0	\$10.00	\$11,000.00	\$6.00	\$6,600.00	\$13.00	\$14,300.00
2105.521	SELECT GRANULAR BORROW (CV)	CU. YD.	870.0		870.0	\$12.00	\$10,440.00	\$9.50	\$8,265.00	\$18.50	\$16,095.00
2105.525	TOPSOIL BORROW (CV)	CU. YD.		15.0	15.0	\$20.00	\$300.00	\$10.00	\$150.00	\$23.00	\$345.00
2105.601	GRADING & COMPACTION	LUMP SUM		1.0	1.0	\$2,500.00	\$2,500.00	\$1,500.00	\$1,500.00	\$6,736.00	\$6,736.00
2105.604	GEOTEXTILE FABRIC TYPE V	SQ. YD.	1,050.0		1,050.0	\$1.50	\$1,575.00	\$1.00	\$1,050.00	\$3.50	\$3,675.00
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	230.0	20.0	250.0	\$18.00	\$4,500.00	\$16.00	\$4,000.00	\$25.00	\$6,250.00
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	655.0	10.0	665.0	\$22.00	\$14,630.00	\$22.00	\$14,630.00	\$39.75	\$26,433.75
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	2,230.0	95.0	2,325.0	\$64.00	\$148,800.00	\$66.00	\$153,450.00	\$70.50	\$163,912.50
2350.502	TYPE LV5 NON-WEARING COURSE MIXTURE (B)	TON	780.0		780.0	\$64.00	\$49,920.00	\$70.00	\$54,600.00	\$72.00	\$56,160.00
2350.502	TYPE LV3 NON-WEARING COURSE MIXTURE (B)	TON	145.0	91.0	236.0	\$95.00	\$22,420.00	\$65.00	\$15,340.00	\$68.75	\$16,225.00
2506.522	ADJUST FRAME & RING CASTING	EACH		1.0	1.0	\$300.00	\$300.00	\$125.00	\$125.00	\$300.00	\$300.00
2563.601	TRAFFIC CONTROL	LUMP SUM	0.9	0.1	1.0	\$3,000.00	\$3,000.00	\$15,000.00	\$15,000.00	\$1,500.00	\$1,500.00
2575.505	SODDING LAWN TYPE	SQ. YD.		170.0	170.0	\$6.00	\$1,020.00	\$5.00	\$850.00	\$4.00	\$680.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	0.5	0.5	1.0	\$1,000.00	\$1,000.00	\$800.00	\$800.00	\$750.00	\$750.00
2582.502	4" DOUBLE SOLID LINE YELLOW - PAINT	LIN. FT.	8,850.0		8,850.0	\$0.30	\$2,655.00	\$0.30	\$2,655.00	\$0.30	\$2,655.00
2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	8,850.0		8,850.0	\$0.80	\$7,080.00	\$0.45	\$3,982.50	\$0.50	\$4,425.00
2582.502	4" SOLID LINE WHITE - EPOXY	LIN. FT.	17,700.0		17,700.0	\$0.35	\$6,195.00	\$0.23	\$4,071.00	\$0.25	\$4,425.00

ENGINEERS ESTIMATE: \$289,823.00

**\$289,556.50**

\$929,855.25

*[Signature]*  
 BENCHMARK ENGINEERING, INC.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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

## RESOLUTION NUMBER 28-09

### ACCEPTING BID

**WHEREAS**, pursuant to an advertisement for bids for the improvement of Forest Drive between east line of Mineral Avenue and the end of Forest Drive by tarvia surfacing, installation of curbs and gutters, the construction of storm water systems and the construction of water and waste water mains, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Ulland Brothers	\$471,837.98
Bougalis Construction	\$434,844.65
Casper Construction	\$438,000.00
Utility Systems of America	\$441,834.20
Hibbing Excavating	\$437,895.89
Mesabi Bituminous	\$431,886.15
Wagner Construction	\$436,985.30

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

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

1. The Mayor and City Administrator are hereby authorized and directed to enter into the attached contract with Mesabi Bituminous of Gilbert, Minnesota in the name of the City of Mountain Iron for the improvement of Forest Drive between east line of Mineral Avenue and the end of Forest Drive by tarvia surfacing, installation of curbs and gutters, the construction of storm water systems and the construction of water and waste water mains by overlayment according to the plans and specifications therefore approved by the City Council and on file in the Office of the City Administrator.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

**DULY ADOPTED BY THE CITY COUNCIL THIS 15<sup>th</sup> DAY OF JUNE, 2009.**

ATTEST:

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

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





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

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

June 10, 2009

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

Re: Forest Drive  
City of Mountain Iron  
Project No. MI09-16

Dear Mr. Wainio,

Bids were received on June 10, 2009 for the above referenced project. A total of seven (7) bids were received and upon tabulation the low bidder for the project is Mesabi Bituminous, Inc. A copy of the bid tabulation is enclosed.

If the City of Mountain Iron intends to award at its June 15, 2009 City Council meeting, it is recommended that you award the bid to Mesabi Bituminous, Inc. in the amount of **\$431,886.15**.

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

Sincerely,  
Benchmark Engineering, Inc.

Paul Tokarczyk, P.E.

Enclosures

**COUNCIL LETTER 061509-VIF**  
**NEGOTIATIONS COMMITTEE**  
**CLOSED MEETING**

**DATE:** June 10, 2009  
**FROM:** Negotiations Committee  
Craig J. Wainio  
City Administrator

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