

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, AUGUST 2, 2010 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the July 19, 2010, Regular Meeting (#1-7)
 - B. Minutes of the July 26, 2010, Special Closed Meeting (#8)
 - C. Receipts
 - D. Bills and Payroll
 - E. Communications (#23-27)
- III. Public Forum
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - B. City Administrator's Report
 - 1. Consent Agenda (#9)
 - C. Sheriff's Department Report
 - D. City Engineer's Report
 - 1. Pay Request #2 for the Locomotive Park Improvements (#10-12)
 - 2. Pay Request #2 for the Energy Park Phase II Improvements (#13-15)
 - E. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Resolution Number 06-10 Grant Application (#16-21)
 - B. Permission to Block Off Streets for Merritt Days (#22)
 - C. Management Evaluations and Negotiations
- VII. Announcements
- VIII. Adjourn

Denotes page number in packet

MOUNTAIN IRON CITY COUNCIL
JULY 19, 2010

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

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

1. Add under New Business: C. Part-time Library Substitute
2. Remove the minutes of the July 6, 2010 meeting and the Bills and Payroll from the consent agenda.
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 July 1-15, 2010, totaling \$950,976.23, (list is attached and made a part of these minutes).

The motion carried with Prebeg voting no.

It was moved by Zupancich and supported by Skalko to approve the minutes of the July 6, 2010 meeting. The motion carried with Roskoski voting no.

It was moved by Stanaway and supported by Prebeg to authorize the payments of the bills and payroll for the period July 1-15, 2010, totaling \$479,411.78, (a list is attached and made a part of these minutes). The motion carried on a roll call vote: Prebeg, yes, Zupancich, yes, Stanaway, yes, Roskoski, no, Skalko, yes.

Bradley Peterson from the law firm of Flaherty & Hood was present for the public forum to discuss the Coalition of Greater Minnesota Cities activities. He presented a pamphlet to the Council showing the group's work throughout the year. Through their lobbying efforts CGMC was able to prevent deeper cuts in aid to the Cities. The Mayor discussed the LGA and Taconite Production Tax lost to the City of Mountain Iron. Mr. Peterson discussed the projected state budget deficit and the upcoming election's impact on local government aid. He also announced the CGMC summer conference is scheduled to be in Winona. The Mayor thanked Mr. Peterson for all the work that CGMC has done for the cities.

The Mayor updated the Council on the following:

- Cable Commission. This group has worked to get public access television for Mountain Iron and televising the Council meetings. He wanted to recognize the members of the Commission as follows:

Steve Skogman	Tom Cvar
Peter Skogman	Allen Nelson
- The Budget and Finance Committee. This group is to give preliminary input into the budget process. He wanted to recognize all the members and department heads that participate.
- Steve Skogman volunteers on four different boards and deserves special recognition for all the work he has done.
- Two more building permits have been applied for in the Unity II Addition, making a total of eight homes being built in the Addition

Councilor Roskoski wanted to make the announcement that this year's Merritt Days Celebration will be for four days instead of two. He stated that it will start off with a brass band concert on Wednesday, August 11, 2010 and have events running through Saturday, August 14, 2010. The events schedule will be in the Mesabi Daily News.

The City Administrator updated the Council on the following:

- The City received notice of a CDBG Committee vacancy for one representative for Small Cities from the St. Louis County Board. Councilor Stanaway has applied for the vacancy.
- The Public Works grants program for the IRR has opened with a short time period to apply. The City Administrator suggested applying for funds to upgrade the blowers at the wastewater treatment plant, unless the Council would have another idea. Councilor Roskoski stated that he would like to apply for funding for a phase 2 study of the storm water flow in the Westgate area. The deadline for applying for the grants is after the next meeting. The City Administrator asked for any further ideas for projects to fund and will get more information on whether a study would qualify for the grants for the next Council meeting.

Gary Giroux of Walker, Giroux & Hahne discussed the 2009 Audit Report for the City.

Discussion took place concerning the increased expense from Minnesota Power in the electric enterprise fund and the post-employment benefits expenses in all the enterprise funds along with the total amount of debt for the City and the amount of cash reserves for the City.

It was moved by Zupancich and supported by Skalko to accept the 2009 City Audit as presented by Gary Giroux of Walker, Giroux & Hahne (a copy of which is on file in the City Hall records). The motion carried with Roskoski voting no.

It was moved by Prebeg and supported by Stanaway to authorize pay request #1 to Mesabi Bituminous in the amount of \$93,706.10 for the 2010 street improvements. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Stanaway to offer the Assistant Librarian position to Mrs. Kelly Belleville contingent on her passing the required physical and background check as recommended by the Personnel Committee. The motion carried unanimously.

It was moved by Stanaway and supported by Roskoski to allow BG's Bar & Grill to use their on-sale liquor license at the Community Center to provide a cash bar for the Kivela wedding on July 31, 2010 and the Paakkonen wedding on August 14, 2010. The motion carried unanimously.

It was moved by Zupancich and supported by Roskoski to authorize the appropriation of \$2500.00 to the Laurentian Chamber of Commerce for the Mineview in the Sky Visitors Center, as allowed in the 2010 budget. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and supported by Zupancich to advertise for applicants for the Library Substitute position. The motion carried unanimously.

At 8:06 p.m., it was moved by Skalko and supported by Stanaway to adjourn the meeting. The motion carried.

Submitted by:



Judy Seurer
Accounting Technician

www.mtniron.com

COMMUNICATIONS

1. SWOP, a thank you for supporting the program.
2. Mountain Iron-Buhl Archery, a thank you for the contribution for their program.
3. League of Minnesota Cities, notification of a dues increase for 2011.
4. High Impact 4th and 8th Grade Teams, a thank you for the contribution.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	130,384.18
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	774.52
CAMPGROUND RECEIPTS	FEES	3,731.72
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	34,168.62
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	200.00
BUILDING RENTALS	COMMUNITY CENTER	600.00
PERMITS	BUILDING	224.20
SALE OF PROPERTY	SALE OF PROPERTY	15,219.39
CD INTEREST	CD INTEREST 301	436.77
CD INTEREST	CD INTEREST 378	317.59
CD INTEREST	CD INTEREST 603	295.24
CD INTEREST	CD INTEREST 101	127.39
METER DEPOSITS	ELECTRIC	1,700.00
LICENSES	ANIMAL	15.00
MISCELLANEOUS	REC DEPT-ARCHERY FEES	20.00
TAXES	TAX LEVY	513,524.27
TAXES	TAXES RECEIVABLE-DELINQUENT	7,017.59
TAXES	MISCELLANEOUS TAXES	12,289.12
TAXES	PENALTIES & INTEREST	119.26
TAXES	PENALTIES & INTEREST-378 FUND	115.07
TAXES	SPEC. ASSMTS-378 FUND-CURRENT	29,849.42
TAXES	SPEC ASSESS-FUND 378-DELINQUEN .	803.91
TAXES	TIF #1-INCREMENT COLLECTED	26,592.59
TAXES	TIF #2-INCREMENT COLLECTED	8,742.94
TAXES	TIF #13 INCREMENT COLLECTED	1,349.32
TAXES	BOND LEVY	161,790.33
MISCELLANEOUS	ASSESSMENT SEARCHES	60.00
MISCELLANEOUS	REIMBURSEMENTS	55.50
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	-
MISCELLANEOUS	ELECTRIC RECONNECT FEE	35.00
CHARGE FOR SERVICES	WATER-CHARGE FOR SERVICES	271.33
MISCELLANEOUS	FAX CHARGES	2.00
BUILDING RENTALS	SENIOR CENTER	50.00
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	93.96
Summary Totals:		<u>950,976.23</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
07/10	07/21/2010	139737	10056	A T & T MOBILITY	101-20200	1,242.90
07/10	07/21/2010	139738	10008	AIRGAS NORTH CENTRAL	101-20200	144.28
07/10	07/21/2010	139739	10061	APPLIANCE RECYCLING CENTERS C	604-20200	153.50
07/10	07/21/2010	139740	10009	ARCHITECTURAL RESOURCES	301-20200	2,800.00
07/10	07/21/2010	139741	10001	ARROWHEAD ECONOMIC OPPORTU	604-20200	614.01
07/10	07/21/2010	139742	7080	BANTTARI, SASHA	604-20200	310.55
07/10	07/21/2010	139743	20055	BARNES & NOBLE BOOKSELLERS	101-20200	376.54
07/10	07/21/2010	139744	20014	BORDER STATES ELECTRIC SUPPL'	604-20200	272.83
07/10	07/21/2010	139745	7078	BRANDT, GLORIA	101-20200	100.00
07/10	07/21/2010	139746	30004	CITY OF MOUNTAIN IRON	301-20200	1,092.19
07/10	07/21/2010	139747	220003	CITY OF VIRGINIA	101-20200	54.93
07/10	07/21/2010	139748	30054	CIVIC SYSTEMS LLC	101-20200	4,240.00
07/10	07/21/2010	139749	7082	COWENS, KEVIN	604-20200	313.12
07/10	07/21/2010	139750	40031	DAHL'S SUNRISE DAIRY	101-20200	59.94
07/10	07/21/2010	139751	400012	DIAMOND MOWERS INC	101-20200	313.18
07/10	07/21/2010	139752	40027	DULUTH/SUPERIOR COMMUNICATI	101-20200	5,751.70
07/10	07/21/2010	139753	500012	ERA LABORATORIES INC	601-20200	610.85
07/10	07/21/2010	139754	60038	FLEET SERVICES	604-20200	5,657.55
07/10	07/21/2010	139755	60012	FLOOR TO CEILING STORE	101-20200	559.41
07/10	07/21/2010	139756	70028	GREATER MINNESOTA AGENCY INC	101-20200	192.00
07/10	07/21/2010	139757	7086	HAFDAHL, JUDD	604-20200	290.38
07/10	07/21/2010	139758	80022	HAWKINS INC	601-20200	902.17
07/10	07/21/2010	139759	7087	HEITKAMP, MEGAN	604-20200	131.69
07/10	07/21/2010	139760	80001	HILLYARD/HUTCHINSON	101-20200	1,169.67
07/10	07/21/2010	139761	20006	JOSEPH BURIA	101-20200	111.87
07/10	07/21/2010	139762	7077	KEMEN, KATHY	101-20200	200.00
07/10	07/21/2010	139763	7079	KEMPPAINEN, NATHAN	101-20200	200.00
07/10	07/21/2010	139764		Information Only Check	101-20200	.00 V
07/10	07/21/2010	139765	120006	L & M SUPPLY	101-20200	8,532.73
07/10	07/21/2010	139766	120047	LAURENTIAN CHAMBER OF COMME	101-20200	2,500.00
07/10	07/21/2010	139767	7081	LEWANDOWSKI, KATTRINA	604-20200	272.24
07/10	07/21/2010	139768	7083	LINDQUIST, NICOLE	604-20200	311.35
07/10	07/21/2010	139769	130041	MESABI BITUMINOUS	301-20200	93,706.10
07/10	07/21/2010	139770	130006	MESABI HUMANE SOCIETY	101-20200	1,500.00
07/10	07/21/2010	139771	130109	METRO FIRE	101-20200	341.67
07/10	07/21/2010	139772	130133	MIDWEST PLAYSCAPES INC	101-20200	3,477.55
07/10	07/21/2010	139773	140026	MINNESOTA ENERGY RESOURCES	602-20200	155.55
07/10	07/21/2010	139774	130009	MINNESOTA POWER (ALLETE INC)	604-20200	67,500.06
07/10	07/21/2010	139775	130010	MINNESOTA UC FUND	101-20200	870.00
07/10	07/21/2010	139776	130075	MN DEPT OF LABOR AND INDUSTRY	101-20200	100.00
07/10	07/21/2010	139777	130155	MN PUBLIC FACILITIES AUTHORITY	602-20200	30,835.89
07/10	07/21/2010	139778	130031	MOUNTAIN IRON ECONOMIC DEV	101-20200	52,610.33
07/10	07/21/2010	139779	130128	MTI DISTRIBUTING	101-20200	1,770.89
07/10	07/21/2010	139780	140042	NORTHERN DOOR & HARDWARE IN	101-20200	1,731.38
07/10	07/21/2010	139781	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	123.69
07/10	07/21/2010	139782	40032	OFFICE OF ENTERPRISE TECHNOLC	101-20200	465.03
07/10	07/21/2010	139783	160032	PORTABLE JOHN	101-20200	622.99
07/10	07/21/2010	139784	170001	QWEST	101-20200	361.45
07/10	07/21/2010	139785	180068	RAPIDS RENTAL & SUPPLY	101-20200	99.34
07/10	07/21/2010	139786	7084	REINDAHL, HEIDI	604-20200	229.73
07/10	07/21/2010	139787	20015	ROBERT BROWN	101-20200	159.30
07/10	07/21/2010	139788	180053	RUSSO CONSULTING	101-20200	200.00
07/10	07/21/2010	139789	7085	SCHMIDT, STACY	604-20200	76.58
07/10	07/21/2010	139790	190010	SEPPI BROTHERS	101-20200	167.20
07/10	07/21/2010	139791	190014	SHERWIN WILLIAMS	101-20200	2,832.41
07/10	07/21/2010	139792	1152	ST LOUIS COUNTY PHHS	604-20200	356.30
07/10	07/21/2010	139793	190061	SULLIVAN CANDY & SUPPLY	101-20200	100.00

M = Manual Check, V = Void Check

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
07/10	07/21/2010	139794	200047	TEXTILES PLUS	101-20200	106.00
07/10	07/21/2010	139795	210001	UNITED ELECTRIC COMPANY	604-20200	904.86
07/10	07/21/2010	139796	220009	VERNS GREENHOUSE	101-20200	331.89
07/10	07/21/2010	139797	220014	VIKING INDUSTRIAL NORTH	101-20200	1,412.52
07/10	07/21/2010	139798	220004	VIRGINIA DEPARTMENT OF PUBLIC	604-20200	95,510.97
07/10	07/21/2010	139799	220020	VISA OR AMERICAN BANK CC PMT	101-20200	9,156.90
07/10	07/21/2010	139800	230028	WISCONSIN ENERGY CONSERVATIC	604-20200	968.30
07/10	07/21/2010	139801	240001	XEROX CORPORATION	101-20200	107.02

Totals:

408,373.48

Payroll PP Ending 7/9/10

71,038.30

Dated: _____

TOTAL EXPENDITURES

\$479,411.78

Mayor: _____

City Council: _____

City Recorder: _____

MINUTES
MOUNTAIN IRON CITY COUNCIL
SPECIAL CLOSED MEETING
JULY 26, 2010

The closed meeting was called to order at 4:05 p.m. with the following members present: Ed Roskoski, Joe Prebeg, Alan Stanaway, and Mayor Gary Skalko. Also present was: Consultant, Louis Russo. Absent was: Tony Zupancich.

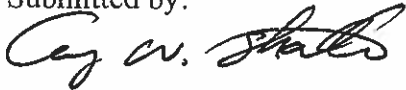
The agenda for the meeting was to evaluate four salary employees' job performances in association with their compensation packages. Therefore, Mr. Craig Wainio, Mr. Donald Kleinschmidt, Mr. Michael Downs and Ms. Sally Peterangelo each attended this closed meeting individually.

At 7:40 p.m., Councilor Roskoski left the meeting.

At 7:44 p.m., it was moved by Stanaway and supported by Prebeg to adjourn the closed meeting and re-convene the open meeting. The motion carried.

At 7:45 p.m., it was moved by Prebeg and supported by Stanaway to adjourn the open meeting. The motion carried.

Submitted by:



Gary Skalko
Mayor

TRENTI
LAW • FIRM

ATTORNEYS

Sam A. Aluni
Paul D. Cerkvienik
Joseph Lyons-Leoni*+
Scott C. Neff ++
Tracy R. Podpeskar Skalko
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 trenti@trentilaw.com

RETIRED

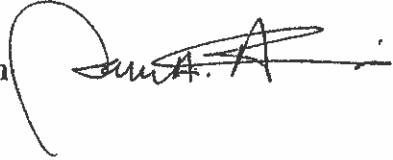
Vernon D. Saxhaug
John A. Trenti

LEGAL ASSISTANTS

Barbara Shosten
Donna M. Leritz
Kristen M. Hennis
Sharon K. Fredrickson
Patricia L. G. Thornton

MEMORANDUM

TO: Craig Wainio, City Administrator, City of Mountain Iron
Mountain Iron City Council

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

RE: Consent Agenda
Our File No. 55,337-17

DATE: July 27, 2010

In order to clarify the discussion at the last regular meeting on July 19, 2010 with regard to the procedures involved in the use of a consent agenda, the council can adopt a rule or policy that complies with the intent of the consent agenda and yet allows discussion of items contained within the consent agenda. The council can make a motion to approve the consent agenda which, when the motion receives a second, is then open for discussion without the removal of individual consent agenda items for separate consideration, discussion and action. An up or down vote on the consent agenda would then take place. The purpose of the consent agenda is to shorten meetings by block consideration of routine items. The above-outlined procedure would theoretically reduce the length of the meeting and would still allow for discussion of specific items contained within the consent agenda. This policy would replace the existing policy which allows for removal of specific items from the consent agenda for separate action.

If you have any questions, please advise.

+Civil Trial Specialist Certified by the National Board Trial Advocacy

++Real Property Law Specialist Certified by Minnesota State Bar Association

*Civil Trial Specialist Certified by the Minnesota State Bar Association



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

July 28, 2010

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

Re: City of Mountain Iron, MN
Locomotive Park Landscape
Project No. MI10-05

Dear Mr. Wainio;

Enclosed please find Pay Request No. 2 for the Locomotive Park Landscape Improvements project in the amount of **\$26,159.00**, for approval at your next scheduled City Council meeting. This amount includes withholding retainage on work completed to date.

Please refer to the enclosed payment application for a summary of items completed.

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.

Enclosure

Pc: Mr. Allen Schramm, C&C Winger, Inc.

PAYMENT APPLICATION

APPLICATION NO: 2
FOR PERIOD ENDING: Jul 31, 2010

FROM: C & C WINGER, INC
6872 HWY 135 N
EMBARRASS, MN 55732

PROJECT: LOCOMOTIVE PARK LANDSCAPE
NO:
OWNERS PROJECT NO:

TO: CITY OF MOUNTAIN IRON
8586 ENTERPRISE DRIVE SOUTH
MOUNTAIN IRON, MN 55768

PREPARED BY: JENNIE JOHNSON
PHONE: 218 984-2078

WORK CATEGORY:
CATEGORY NO:

ATTN: DONALD KLEINSCHMIDT

CHANGE ORDER SUMMARY

APPROVED CHANGES	QTY.	AMOUNT	DELETIONS	AMOUNT	NET
PREV. APP. PERIODS:	3	4,268	-	-	4,268
THIS APP. PERIODS:	1	194	-	-	194
TOTAL:	4	4,462	-	-	4,462

CONTRACT SUMMARY

CONTRACT AMOUNT	ORIGINAL: 141,606	CHANGES: 4,462	TOTAL: 146,068
COMPLETED TO DATE:	71,447		
RETAINAGE TO DATE:	7,145		
COMPLETED LESS RETAINAGE:	64,302		
PREVIOUS APPLICATION:	38,144		
CURRENT PAYMENT DUE:	26,159		
BALANCE TO FINISH INCLUDING RETAINAGE:	81,765		

CONTRACTOR'S CERTIFICATION

I hereby certify that the work for which this application is being submitted has been performed or is scheduled to be performed on or before the period ending Date. I further certify that this work is in accordance with contract documents.

Jennie Johnson
JENNIE JOHNSON
Date: 7/27/10

ARCHITECT'S CERTIFICATION

I hereby confirm that to the best of my knowledge, this payment application accurately reflects the progression of work and that this work meets contract requirements sufficient enough to justify payment in the amount of (check one):

This App: 26,159 Other: _____ (Explain in Notes)

Jennie Johnson
Signature
Date: 7/28/10

Benchmark Engineers, Inc.

PAYMENT APPLICATION DETAIL

APPLICATION NO: 2
FOR PERIOD ENDING: Jul 31, 2010

FROM: C & C WINGER, INC
WORK:

PROJECT: LOCOMOTIVE PARK LANDSCAPE
No:

WORK CATEGORY	Item No.	Description	Scheduled Value	COMPLETED WORK		Prev. App. Value	Total Value	Total %	BALANCE TO FINISH	Value (10.0%)	COMMENTS
				This App. Value	%						
▶ BASE CONTRACT SECTION											
	1	REMOVALS	8,960	7,160	1,650	18%	8,810	98%	150	881	
	2	CONCRETE, HANDRAILS, FLAGPOLE, FOOTINGS	17,700	-	11,567	65%	11,567	65%	6,133	1,157	
	3	LANDSCAPING, SOD, TOPSOIL	9,300	-	-	0%	-	0%	9,300	-	
	4	BLOCK WALLS & BRICK PAVERS	37,492	-	11,255	30%	11,255	30%	26,238	1,125	
	5	LIGHTING & ELECTRIC	24,200	-	4,400	18%	4,400	18%	19,800	440	
	6	SHELTERS	13,000	-	-	0%	-	0%	13,000	-	
▶ EXTRA WORK SECTION 1											
	1	CONCRETE REMOVAL	2,940	2,940	-	0%	2,940	100%	-	294	
	1	SHOVEL PAD	688	688	-	0%	688	100%	-	69	
	1	CLASS 5	640	640	-	0%	640	100%	-	64	
	4	EXTRA ADHENSIVE PER DESIGN CHANGE	194	-	194	100%	194	100%	-	19	
▶ MATERIAL ON HAND											
	4	BLOCK AND PAVERS	30,954	30,954	-	0%	30,954	100%	-	3,095	
Total Base Contract Work:			141,606	38,114	28,872	20%	66,986	47%	74,621	6,699	
Total Extra Work			4,462	4,268	194	4%	4,462	100%	-	446	
GRAND TOTAL:			146,068	42,382	29,065	20%	71,447	49%	74,621	7,145	

Created using Paymee v3 for Excel. Download for free at: www.paymee.com



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

July 28, 2010

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

Re: City of Mountain Iron, MN
Energy Park Phase 2 – Utility Extension & Mass Grading
Project No. MI09-22

Dear Mr. Wainio;

Enclosed please find Pay Request No. 2 for the Energy Park Phase 2 project in the amount of **\$119,020.75**, for approval at your next scheduled City Council meeting. This amount includes withholding retainage on work completed to date.

Please refer to the enclosed pay request breakdown for a summary of items completed.

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.

Enclosure

Pc: Mr. Andy Wagner, Ulland Brothers, Inc.

RECOMMENDATION OF PAYMENT

No. 2

Owner's Project No.: _____

Engineer's Project No.: MI09-22

Project: Energy Park Phase 2 – Utility Extensions & Mass Grading

CONTRACTOR: Ulland Brothers, Inc., 505 West 37th Street, Hibbing, MN 55746

For Period Ending: July 28, 2010


To: City of Mountain Iron
Owner

Attached hereto is the CONTRACTOR's Application for Payment for Work accomplished under the Contract through the date indicated above. The application meets the requirements of the Contract Documents for the payment or work completed as of the date of this Application.

In accordance with the Contract the undersigned recommends payment to the CONTRACTOR of the amount due as shown below.

BENCHMARK ENGINEERING, INC.

Dated July 28, 2010

By  _____

STATEMENT OF WORK

Original Contract Price	\$ <u>546,793.03</u>	Work & Materials to Date	\$ <u>407,969.03</u>
Net Change Orders	\$ <u>0.00</u>	Amount Retained	\$ <u>20,398.45</u>
Current Contract Price	\$ <u>546,793.03</u>	Subtotal	\$ <u>387,570.58</u>
		Previous Payments	\$ <u>268,549.83</u>
		Amount Due this Payment	\$ <u>119,020.75</u>



PAY REQUEST NO. 2
 ENERGY PARK PHASE 2 - UTILITY EXTENSIONS & MASS GRADING
 CITY OF MOUNTAIN IRON, MINNESOTA
 PROJECT NO: MI09-22

CONTRACTOR: ULLAND BROTHERS, INC.

SPEC. NO.	ITEM	UNITS	PLAN QUANTITY	ITEM COST	QUANTITY TO DATE	TOTAL AMOUNT
2101.501	CLEARING	ACRE	18.0	\$650.00	18.0	\$11,700.00
2101.506	GRUBBING	ACRE	18.0	\$1,800.00	18.0	\$32,400.00
2104.507	REMOVE CONCRETE STRUCTURE	CU. YD.	20.0	\$40.00	20.0	\$800.00
2105.501	COMMON EXCAVATION (PV)	CU. YD.	143,000.0	\$1.10	123,000.0	\$135,300.00
2105.503	ROCK EXCAVATION	CU. YD.	200.0	\$10.00	125.0	\$1,250.00
2105.535	SALVAGED TOPSOIL (PV)	CU. YD.	2,000.0	\$3.00	0.0	\$0.00
2211.503	AGGREGATE BASE (CV) CLASS V	CU. YD.	910.0	\$14.00	0.0	\$0.00
2476.601	WASTE COLLECTION & DISPOSAL	LUMP SUM	1.0	\$2,000.00	1.0	\$2,000.00
2503.511	8" PVC PIPE SEWER	LIN. FT.	1,987.0	\$25.00	1,669.0	\$41,725.00
2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	2.0	\$500.00	2.0	\$1,000.00
2504.602	CONNECT TO EXISTING WATERMAIN	EACH	1.0	\$1,500.00	1.0	\$1,500.00
2504.602	HYDRANT	EACH	2.0	\$3,800.00	1.0	\$3,800.00
2504.602	12" GATE VALVE & BOX	EACH	2.0	\$2,300.00	1.0	\$2,300.00
2504.603	12" WATERMAIN DI CL. 52	LIN. FT.	2,000.0	\$54.00	1,679.0	\$90,666.00
2504.608	DUCTILE IRON FITTINGS	POUND	667.0	\$6.00	567.0	\$3,402.00
2506.501	CONST DRAINAGE STRUCTURE DES 4007	LIN. FT.	70.5	\$230.00	60.5	\$13,915.00
2506.516	CASTING ASSEMBLY	EACH	7.0	\$500.00	0.0	\$0.00
2573.502	SILT FENCE, TYPE PREASSEMBLED	LIN. FT.	4,600.0	\$1.30	4,600.0	\$5,980.00
2573.602	STABILIZED CONSTRUCTION ENTRANCE	EACH	1.0	\$561.03	1.0	\$561.03
2575.523	EROSION CONTROL BLANKET, CATEGORY 4	SQ. YD.	12,500.0	\$1.20	0.0	\$0.00
2575.555	TURF ESTABLISHMENT - BASE BID	LUMP SUM	1.0	\$13,200.00	0.0	\$0.00
ADD ALTERNATE BID						
2101.501	CLEARING	ACRE	6.0	\$650.00	6.0	\$3,900.00
2101.506	GRUBBING	ACRE	6.0	\$1,800.00	6.0	\$10,800.00
2104.507	REMOVE CONCRETE STRUCTURE	CU. YD.	100.0	\$40.00	150.0	\$6,000.00
2105.501	COMMON EXCAVATION (PV)	CU. YD.	40,200.0	\$1.30	28,000.0	\$36,400.00
2105.503	ROCK EXCAVATION	CU. YD.	100.0	\$10.00	75.0	\$750.00
2105.535	SALVAGED TOPSOIL (PV)	CU. YD.	800.0	\$3.00	0.0	\$0.00
2573.502	SILT FENCE, TYPE PREASSEMBLED	LIN. FT.	1,400.0	\$1.30	1,400.0	\$1,820.00
2575.523	EROSION CONTROL BLANKET, CATEGORY 4	SQ. YD.	8,700.0	\$1.20	0.0	\$0.00
2575.555	TURF ESTABLISHMENT - ADD ALTERNATE	LUMP SUM	1.0	\$4,400.00	0.0	\$0.00

COMPLETED TO DATE: \$407,969.03
 LESS RETAINAGE: (\$20,398.45)
 SUBTOTAL PAY REQUEST #2: \$387,570.58
 LESS PREVIOUS PAYMENTS: (\$268,549.83)

TOTAL PAY REQUEST #2: \$119,020.75

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 06-10

AUTHORIZING THE CITY ADMINISTRATOR TO MAKE APPLICATION TO THE IRON RANGE RESOURCES PUBLIC WORKS (FY11) 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 2nd DAY OF AUGUST, 2010.

ATTEST:

Mayor Gary Skalko

City Administrator



Public Works Infrastructure Grants



Application Cover Sheet

Date Submitted: July 27, 2010

Project Description: Waste Water Treatment Plant Upgrade

Applicant's Legal Name: City of Mountain Iron

Address: 8586 Enterprise Drive South, Mountain Iron, MN 55768

Contact Person: Craig J. Wainio

Title: City Administrator

Phone #'s: Work: 218-748-7570
Fax: 218-748-7573

Email Address: cwainio@ci.mountain-iron.mn.us

Geographic Area Served by Applicant: City of Mountain Iron

Population Served by Applicant: 2999

Applicant's Legal Representative: Sam Aluni, Trenti Law firm

Applicant's Governing Body: Mayor and City Council

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 future consideration for financial assistance, may also subject the applicant to the penalty provision of M.S. §609.645."

Applicant: City of Mountain Iron

By: _____ Title: Mayor Date: July 27, 2010

Attest: _____ Title: City Administrator Date: July 27, 2010

Project Budget and Timetable

USES	SOURCES (Be Specific)					
	Applicant	IRR	Other	Other	In-kind	Total
Detailed Project Costs						
Development						
Infrastructure	\$150,000	\$150,000				\$300,000
Site work						
Estimated Project Costs	\$150,000	\$150,000				\$300,000

Timetable

Please indicate anticipated dates for the following actions:

ACTIONS	DATE
Commencement of engineering:	August 2010
Bid Opening:	September 2010
Commencement of Construction:	October 2010
Completion of Project:	August 2011

Narrative:

This project involves the replacement and upgrading of the aeration system at the Waste Water Treatment Plant. Through this project, Mountain Iron will correct sewer violations that are an issue that prevents the ability of the City to attract new employment opportunities; it will also create approximately ten construction jobs and remove barriers to economic growth. Enclosed, please find preliminary engineering discussions that have taken place.

50% of this project is being funded through non agency funding.

The project is ready to begin immediately.

The City of Mountain Iron has received Notices of Violation from the Minnesota Pollution Control Agency and if the plant is not upgraded, the MPCA will not allow any further hookups to the system which will severely limit our ability to attract business and industry.

Donald V. Kleinschmidt

From: Dye, Thomas G. [Thomas.Dye@bonestroo.com]
Sent: Tuesday, June 15, 2010 10:40 AM
To: Donald V. Kleinschmidt; Tim Satrang
Cc: Alan J. Johnson; LaFond, Ronald A
Subject: FW: Mtn Iron WWTP Aeration System

Don and Tim,

I spoke with Mitch Okerstrum at Fergus Power Pump concerning cleaning out the digester tank and he confirmed that \$20,000 should cover the cost. I bumped it up to \$25,000 in our revised estimate shown below. We assumed 30,000 gallons of sludge/debris at 5% solids. Mitch said there are two ways to handle the waste: 1) pump out the tanks, screen the waste and land apply it to the City's permitted fields; screened material would be hauled to landfill; 2) pump out waste/debris with chopper pump, dewater sludge with belt press and haul to a landfill. We would need to confirm landfill location and that they would take the material. Sludge has been used as daily cover at other landfills. The big rag balls in the digester would be broken up with a fire hose and pumped out.

Please call to discuss the details of the estimate and how you would like to proceed. Thank you,

Tom

Thomas Dye, PE

Direct 651-967-4651
Cell 651-775-5100
thomas.dye@bonestroo.com



Visit the new Bonestroo.com to sign-up for **SourceONE**, our upcoming newsletter.

From: Dye, Thomas G.
Sent: Tuesday, June 08, 2010 2:45 PM
To: Donald V. Kleinschmidt; 'Tim Satrang'; 'tsatrang@cpinternet.com'
Cc: LaFond, Ronald A; Alan J. Johnson
Subject: Mtn Iron WWTP Aeration System

Don and Tim,

Below is our initial construction cost estimate for improvements to the aeration system at the WWTP. As shown the retrievable aeration equipment is much more expensive than the fixed system. However access to the fixed system may be an issue. Attached are manufacturer's drawings of the two different diffusers systems. The retrievable diffuser system shown is a swivel kind like your current system. There is another retrievable system that rides up and down on a mast. As we get into detailed design we will investigate if the four existing air headers in each tank could be reused instead of going to 8 headers. This could save some money for equipment and piping.

With either diffuser system it appears the increased diffuser efficiency will allow one blower to provide the air needed for the current average day including the digester. The reduced blower run time could save up to \$15,000 per year in electrical cost.

We have not confirmed the cost of cleaning out the tanks but have discussed it with Fergus Power who does this type of work frequently. They stated they usually try to break up the rag balls with a fire hose and/or manually, pump them out and screen the debris out of the sludge. The total cost will be dependent on the volume of sludge in the tank – if we can lower the tank level and leave just the bottom few feet and rags for Fergus to deal with it will reduce the cost.

Please look this over and call us when both of you can get together for a conference call so we can explain each item in more detail and discuss the pros and cons.

Basic Improvements

- Basic improvements consist of:
 - One new 50 HP, 800 CFM blower including associated silencers, pipe, and valves. Blower will be the same as the existing blowers except motor will be inverter duty rated for possible future installation of variable frequency drive (VFD).
 - New retrievable diffusers for the Aeration Tank and Digester consisting of eight diffuser assemblies per tank. Aeration Tank would have fine bubble diffusers and the Digester would have coarse bubble diffusers. Plant should be able to meet the current average day demand with just one blower in service due to the higher efficiency of the new diffusers.
- Estimated construction costs for the basic improvements and options are summarized in the tables below:

Basic Improvements	Construction Cost	Comments
Demolition	\$12,000	Piping, diffuser assemblies, existing blower, ports in ex concrete divider wall between Aeration Tank and Dige
Blower Process Pipe	\$10,000	Including fittings, shut-off valves and check valves
PD Blower	\$20,000	800 CFM, 8 PSIG Blower, 50HP premium efficiency mo silencers, flexible connections
Intake and Discharge Silencers	\$2,000	For the recently installed Pro Air blower. Existing aged pose a risk to blower and diffusers.
Temporary Conveyance	\$5,000	Assumes gravity flow into and out of digester for Aerat bypass
Remove Debris from Aeration Tank and Digester	\$25,000	
Retrievable Fine Bubble Diffusers, Aeration Tank	\$70,000	Eight assemblies consisting of swivel joints similar to e diffusers on framework lifted out via winch and mast.
Retrievable Coarse Bubble Diffusers, Digester	\$49,000	Eight assemblies consisting of swivel joints similar to e diffusers on framework lifted out via winch and mast.
Aeration Process Pipe	\$9,000	Replacement of existing butterfly valves
Electrical	\$5,000	Reuse existing starters, wiring and conduit from existin
Subtotal =	\$207,000	
15% Contingencies =	\$31,000	For undeveloped design details.
Estimated Construction Cost =	\$238,000	

Optional Items:

Optional Items	Construction Cost	Comments
Deduct for Fixed Aeration Tank Diffusers	(\$42,000)	Fixed diffusers will be difficult to maintain as there is no way to bypass the Aeration Tank.
Deduct for Fixed Digester Diffusers	(\$34,000)	Fixed diffusers may be acceptable for the digester because it is removed annually.
Add for 50HP VFD	\$12,000	Will decrease energy usage by allowing operators to run at lower speeds to reduce blower CFM. Annual savings estimated at \$5,000 to \$7,500 per year.
Add for PD Blower Sound Enclosure	\$6,000	Significantly reduces blower noise.
Add for High Efficiency Centrifugal Blower	\$45,000	Blower furnished with VFD. Annual savings estimated to \$12,000 per year.
Add for Aeration Control Panel/DO Probe	\$15,000	In conjunction with VFD, used to automatically control blower CFM to match organic loading.
Add for 50HP Premium Efficiency Motor	\$3,500	For the recently installed Pro Air blower. Existing motor is 10 years old.

Thomas Dye, PE

Direct 651-967-4651
 Cell 651-775-5100
 thomas.dye@bonestroo.com



Visit the new Bonestroo.com to sign-up for **SourceONE**, our upcoming newsletter.

COUNCIL LETTER 080210-0000

MERRITT DAYS

STREET CLOSURES

DATE: July 29, 2010

FROM: Sally Peterangelo
Special Events Coordinator

Craig J. Wainio
City Administrator

I would like to request permission to block off streets for Merritt Day events on August 13 and August 14, 2010. This would be blocking off the top portion of Mountain Avenue and one block south of Mountain Avenue and Main Street. Thank you for your consideration.

COMMUNICATIONS

1. Minnesota Department of Revenue, a letter concerning reduction to aids/credits payable in 2010.
2. Iron Range Youth in Action/PARTNERS, a letter of thanks for a recent contribution.

MINNESOTA • REVENUE

July 14, 2010

MOUNTAIN IRON CITY OF
CITY ADMINISTRATOR/CLERK
CITY HALL
8586 ENTERPRISE DR S
MOUNTAIN IRON, MN 55768

RE: REDUCTION TO AIDS/CREDITS PAYABLE IN 2010

The 2010 Legislature enacted two important laws affecting Local Government Aid (LGA) and Market Value Credit (MVC) reimbursements for aids and credits payable in 2010.

First, the Governor's unallotments for aids and credits payable in 2009 and 2010 that were originally announced in June of 2009 were essentially ratified by the Legislature. The Legislature technically voided and substituted the unallotments with legislated cuts (under Minnesota Statutes §477A.0132) yielding reductions in the same manner and essentially the same amounts. (See Laws 2010, First Special Session, chapter 1, articles 1 and 13.) The reduction is zero for any city with a population of less than 1,000 that has an adjusted net tax capacity per capita amount less than the statewide average. For all other cities the reduction is equal to 7.643803025 percent of the city's 2009 revenue base, limited to \$55 per capita.

Second, additional reductions to LGA and MVC reimbursements have been enacted for aids and credits payable in 2010. These reductions are in addition to the aforementioned reductions in M.S. §477A.0132 that substituted for the unallotments. The additional reductions are contained in Minnesota Statutes §477A.0133 (enacted under Laws 2010, chapter 215, article 13, section 6, as amended by Laws 2010 First Special Session, chapter 1, article 13, section 3). The additional reduction for a city is equal to the 3.4287 percent of the city's 2010 revenue base, limited to \$28 per capita.

Amounts for each city have been posted on the DOR website (www.taxes.mn.us) at the following link (which can be found under the quick link for "Property tax administrators" on the home page, and then under "State aids and credits"):

http://www.taxes.state.mn.us/taxes/property_tax_administrators/other_supporting_content/2010_additional_reduction.shtm

Note that the initial (unallotment-based) reductions under M.S. §477A.0132 are first applied to LGA with any remaining reductions carried over to reduce MVC reimbursements, while the additional reductions under M.S. §477A.0133 are first applied to MVC reimbursements with any remaining reductions being carried over to reduce LGA. The reductions are limited by the total amount of LGA and MVC reimbursements available to be reduced.

Laws 2010, chapter 215, article 13, section 2, as amended by Laws 2010 First Special Session, chapter 1, article 13, section 1 also contains a provision that extends the payable 2010 MVC reimbursement (unallotment-based) reductions under M.S. §477A.0132 to apply for reimbursements payable in 2011 and thereafter. The additional reductions under M.S. §477A.0133 are not carried forward.

Laws 2010, chapter 215 also provides reduced total LGA appropriations for aids payable in 2011 and thereafter. For aids payable in 2011, the certifications will be made by August 1.

If you have any questions that are not answered on the website, you may contact Larry Bewley at larry.bewley@state.mn.us or 651-556-6096.

Sincerely,

Jason Nord
State Program Administrator Director

Property Tax Division
Mail Station 3345
St. Paul, MN 55146-3345

Tel: 651-556-6096
Fax: 651-556-3128

TTY: Call 711 for Minnesota Relay
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Director – Iron Range Youth In Action/PARTNERS
St. Louis County
Northland Office Center
307 1st St. South, 2R
Virginia, MN 55792
Phone (218) 749 – 7114
Email ismilc@co.st-louis.mn.us

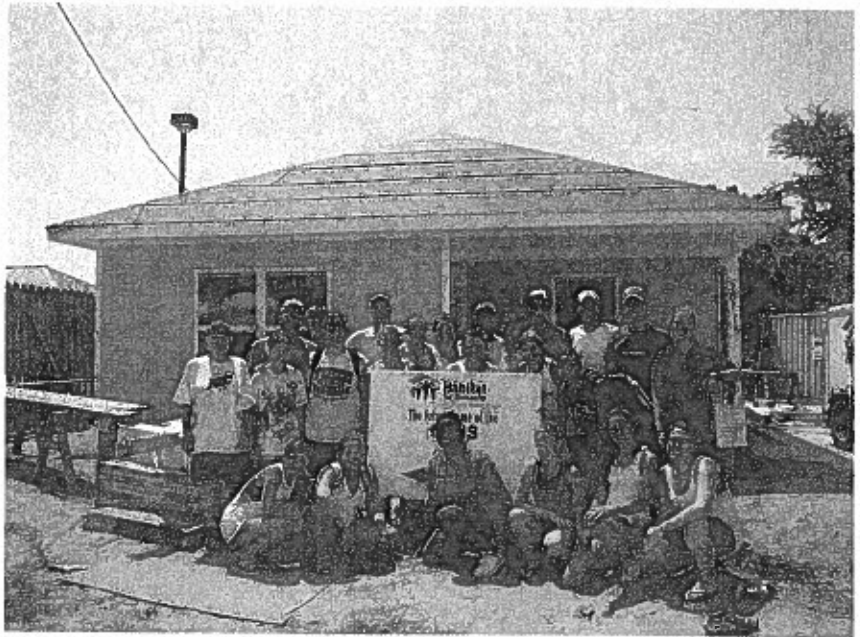
July 27, 2010

Good Morning,

On behalf of Iron Range Youth in Action, **thank you so much** for your recent donation in helping us continue to rebuild homes for victims of Hurricane Katrina.

With 34 youth from all across the Iron Range, 7 adult chaperones, and 2 bus drivers, IRYA traveled by motor coach to Baton Rouge, Louisiana, the week of July 10-17. We split into two groups and worked on two different habitat homes for the Gore and Davis families.

Work at both homes varied, but included siding, fascia, soffits, insulating, roof sheeting, painting, etc. Working in the



extreme heat of over 100 degrees each day, Habitat was very impressed with the work done by our group. The work completed by IRYA put them three weeks ahead of the completion date on these two homes.

Funding for this trip was raised through donations and many fundraising events held this past year in many communities across the Iron Range. They included Burger Bashes, Gulf Coast Raffle, the 5th Annual Quad-Cities Variety Show and Silent Auction, holiday gift wrapping at the Thunderbird Mall, bake sales, Herberger's coupon book sales, business donations, etc.

This trip was a life-changing and moving experience for all involved. We were all touched by

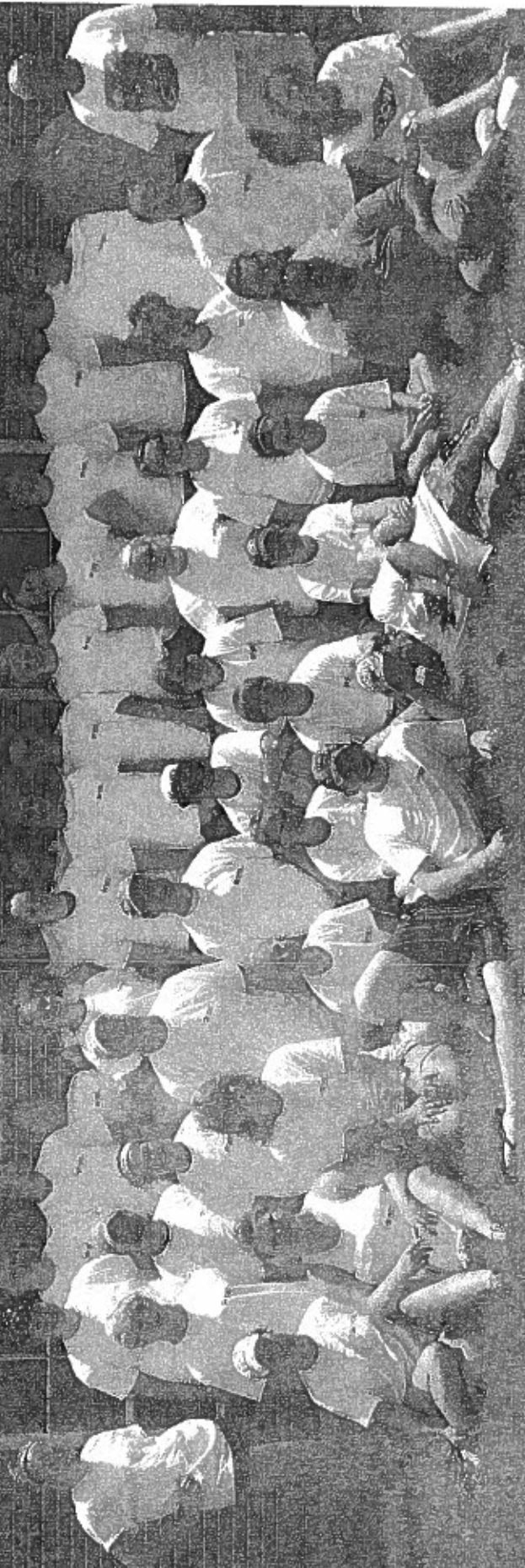
the spirit and generosity of our southern friends. It has inspired our group to continue to help others less fortunate. So again, thank you for your support and commitment to the youth of North St. Louis County in making this trip possible. If you have any questions regarding the trip or are interested in other IRYA projects, please contact me or visit our website at www.iryva.org. A public thank for your donation was included in the July-August issue of Gen-W on B6. An article about the trip is also featured on B7 and B8.

Sincerely,

Chris Ismil
Chris Ismil, Director

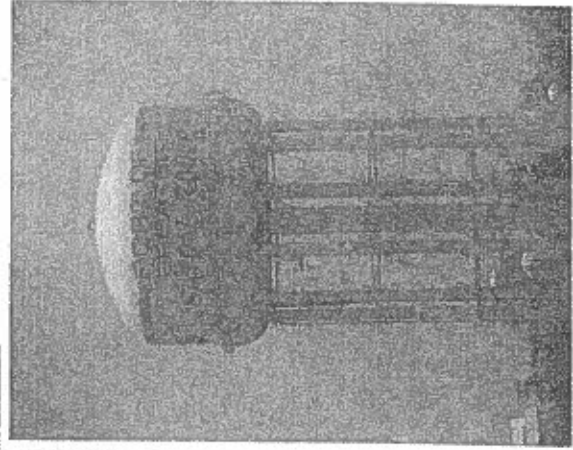
Thank you so much for your very generous contribution and supporting our area youth!

Baton Rouge, Louisiana – July 10-17, 2010

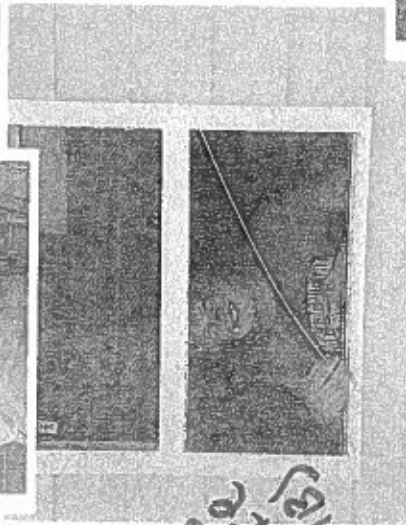


Front Row: Ty Wallner-Virginia, Scott Bryant-Bus Driver; Tiffany Davis-Home Owner; Rachel Harmston-Cook
Second Row: Lori Ismil-Chaperone; Jill Warzonek- Cook, Donna Leese-Chaperone; Chelsea Nelson; Ely, Bre Zatonni-Eveleth; Tyler Devich-Mt. Iron; Emma Redmond-Cook; Alexis Gunderson-Virginia; Carlissa Harmston-Cook
Third Row: Austin Bekicka-Virginia; John Dahmen-Mesabi East; Shelby Maidl-Ely; Mark Leese-Chaperone; Zach Yurczyk-Virginia; Kyle Hammer-Eveleth; Kellie Serena-Babbitt; Nicole Nihart-Ely; Leah Stouffer-Ely; Franchesca Phelps-Hibbing; Nikki Jasura-Virginia
Fourth Row: Justine Lee-Hibbing; Erin Buczynski-Virginia; Andrew Meinzer-Virginia; Laura Levar-Ely; Kelly Richards-Virginia; Celsea Marquis-Virginia; Cassidy Baron-Chisholm; Sarah Hecht-Cook; Ashley Beldo-Eveleth; Wes Blake-Mt. Iron; Bryan Hill-Chaperone; Chris Ismil-IRYA Director/Chaperone; Jan Ismil-Chaperone; Brian-Habitat Coordinator; Arne Doble-Bus Driver
Back Row: Paul Nurmi-Chaperone; Lisa Perunovich-Hibbing; Hannah Nylund-Hibbing; Amanda Arbogast-Virginia; Calev Westin-Virginia





Carla
Kane
Bill



Chris
Blake
Luis

