

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, AUGUST 16, 2010 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the August 2, 2010, Regular Meeting (#1-7)
 - B. Minutes of the August 2, 2010, Closed COW Meeting (#8)
 - C. Receipts
 - D. Bills and Payroll
 - E. Communications (#17-23)
- III. Public Forum
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - B. City Administrator's Report
 - C. Director of Public Work's Report
 - D. City Engineer's Report
 - 1. Pay Request #2 for the 2010 Street Improvements (#9-11)
 - 2. Pay Request #3 for the Ball Fields Upgrade (#12-14)
 - E. Parks and Recreation Board
 - 1. Locomotive Park Equipment Recommendation (#15)
 - F. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Call for Bids on Phase III of the Energy Park (#16)
 - B. Management Evaluations and Negotiations
 - C. Communications (#17-23)
- VII. Announcements
- VIII. Adjourn

Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
AUGUST 2, 2010

Mayor Skalko called the City Council meeting to order at 6:37 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; and Rod Flannigan, City Engineer.

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

1. Approve the minutes of the July 19, 2010, special closed meeting as submitted.
2. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period July 16-31, 2010, totaling \$734,092.41, (a list is attached and made a part of these minutes).

The motion carried unanimously.

It was moved by Zupancich and seconded by Prebeg to approve the minutes of July 19, 2010, regular meeting minutes with the following correction: Page 3, first paragraph, "...presented by Gary Giroux of Walker, Giroux, and Hahne. *It was moved by Roskoski to amend the motion to have City Staff implement the auditor's recommendations as soon as possible. The amendment failed for lack of a second.* The motion carried.

It was moved by Prebeg and seconded by Stanaway to authorize the payments of the bills and payroll for the period July 16-31, 2010, totaling \$640,248.43, (a list is attached and made a part of these minutes). The motion carried on the following roll call vote: Prebeg, yes; Zupancich, yes; Stanaway, yes; Roskoski, no; and Skalko, yes.

The Mayor updated the Council on the following:

- Saint Louis County Tax Contact. He gave the audience contact information to contact the County Auditor's office in Duluth, 1-800-450-9777, extension 2382, for tax information.
- Enterprise Funds. These funds are totally separate from the property taxes.
- Summer Recreation Programs. He commended all of the Summer Programs; he said that he had received a lot of positive feedback regarding the programs. He thanked the coaches, volunteers, and summer recreation workers. He personally thanked the coaches of the Majors, Brian Wilson and Mike Erickson, they had 17 players on the team and they played all of the children equally.

Councilor Roskoski invited the public to attend the Merritt Days events beginning August 11-14, 2010.

It was moved by Prebeg and seconded by Zupancich to approve the consent agenda policy as follows: 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 considerations, 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 the 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. The motion carried with Roskoski voting no.

The Administrator clarified some information that was circulating regarding the City of Mountain Iron's debt. He said that the information was from the 2009 city audit report. He said that the debt responsible to the Mountain Iron tax payers was \$3,300,000. Other debt was in the Enterprise Funds: Water Fund, \$650,000; and Wastewater Treatment Plant Fund, \$599,000. He also said that a portion of the debt was voted on by the people of Mountain Iron.

It was moved by Zupancich and seconded by Stanaway to authorize payment request number two for the Locomotive Park Landscape Improvement Project in the amount of \$26,159.00. The motion carried on the following roll call vote: Zupancich, yes; Stanaway, yes; Roskoski, no; Prebeg, yes; and Skalko, yes.

It was moved by Prebeg and seconded by Zupancich motion to authorize payment request number two for the Energy Park Phase Two Project, Utility Extension and Mass Grading, in the amount of \$119,020.75. The motion carried unanimously on a roll call vote.

During the Liaison reports, Councilor Stanaway reported on the July activities at the Library.

It was moved by Zupancich and seconded by Stanaway to adopt 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, (a copy is attached and made a part of this application). The motion carried with Roskoski voting no.

It was moved by Zupancich and seconded by Roskoski to authorize the Special Events Coordinator to block off streets for the Merritt Days events on August 13 and 14, 2010. This would be blocking off the top portion of Mountain Avenue and one block south of Mountain Avenue and Main Street. The motion carried.

The Mayor said that the, "Management Evaluations and Negotiation" item on the agenda would be tabled until the next regular meeting. He announced that the Council would continue with a Committee of the Whole meeting on August 16, 2010 at 5:30 p.m. and a closed session would be held for discussion of negotiations.

At 7:14 p.m., it was moved by Skalko and seconded by Zupancich that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC
Municipal Services Secretary

www.mtniron.com

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.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	97,373.62
CD INTEREST	CD INTEREST 301	485.26
CD INTEREST	CD INTEREST 378	1,455.78
CD INTEREST	CD INTEREST 603	485.26
CAMPGROUND RECEIPTS	FEES	5,373.88
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	39.15
PERMITS	BUILDING	1,734.60
MISCELLANEOUS	ASSESSMENT SEARCHES	40.00
PERMITS	VENDOR	50.00
MISCELLANEOUS	REC DEPT-ARCHERY FEES	160.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	900.00
BUILDING RENTALS	SENIOR CENTER	100.00
INTERGOVERNMENTAL REVENUE	LOCAL GOVERNMENT AID	578,134.00
INTERGOVERNMENTAL REVENUE	MISCELLANEOUS STATE AID	2,264.50
METER DEPOSITS	ELECTRIC	2,350.00
FINES	CRIMINAL	895.09
MISCELLANEOUS	REIMBURSEMENTS	262.00
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	161.90
BUILDING RENTALS	COMMUNITY CENTER	920.00
MISCELLANEOUS	CABLE TV FRANCHISE FEE	6,072.73
MISCELLANEOUS	COCA-COLA RECEIPTS-CITY HALL	18.62
METER DEPOSITS	WATER	80.00
MISCELLANEOUS	SPEC. EVENT-FUNDS NOT USED-CR	300.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	34,359.54
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	76.48
Summary Totals:		<u>734,092.41</u>

Report Criteria:

Check.Check No = 139802-139875

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
07/10	07/27/2010	139802	130041	MESABI BITUMINOUS	601-20200	16,314.42
07/10	07/27/2010	139803	7088	OPERATING ENGINEERS LOCAL #49	301-20200	113,110.47
08/10	08/05/2010	139805	130017	AMERICAN BANK	101-20200	250.00
08/10	08/05/2010	139806	10021	ARROWHEAD LIBRARY SYSTEM	101-20200	6.25
08/10	08/05/2010	139807	5007	ASSURANT EMPLOYEE BENEFITS	101-20200	640.80
08/10	08/05/2010	139808	10042	AUTO VALUE VIRGINIA	101-20200	22.97
08/10	08/05/2010	139809	20009	BARBER GRAPHICS	101-20200	331.50
08/10	08/05/2010	139810	20055	BARNES & NOBLE BOOKSELLERS	101-20200	416.55
08/10	08/05/2010	139811	20048	BARNES DISTRIBUTION	101-20200	102.70
08/10	08/05/2010	139812	20022	BENCHMARK ENGINEERING INC	301-20200	41,874.50
08/10	08/05/2010	139813	811	BETH GUNDY	101-20200	20.00
08/10	08/05/2010	139814	20010	BISS LOCK INC	101-20200	14.96
08/10	08/05/2010	139815	30040	C & C WINGER INC	301-20200	26,159.00
08/10	08/05/2010	139816	30017	CARQUEST (MOUNTAIN IRON)	101-20200	261.57
08/10	08/05/2010	139817	130146	CASH	101-20200	25.00
08/10	08/05/2010	139818	130147	CASH	101-20200	25.00
08/10	08/05/2010	139819	130148	CASH	101-20200	25.00
08/10	08/05/2010	139820	130149	CASH	101-20200	25.00
08/10	08/05/2010	139821	130150	CASH	101-20200	150.00
08/10	08/05/2010	139822	220003	CITY OF VIRGINIA	101-20200	3,325.00
08/10	08/05/2010	139823	30072	CW TECHNOLOGY	301-20200	1,356.00
08/10	08/05/2010	139824	810	DAVID M OLSON	101-20200	20.00
08/10	08/05/2010	139825	40014	DUSTCOATING INC	101-20200	4,429.44
08/10	08/05/2010	139826	500012	ERA LABORATORIES INC	601-20200	645.85
08/10	08/05/2010	139827	60026	FASTENAL COMPANY	101-20200	94.42
08/10	08/05/2010	139828	60003	FIVE SEASONS SPORTS CENTER	101-20200	75.19
08/10	08/05/2010	139829	70035	G & K SERVICES	101-20200	47.75
08/10	08/05/2010	139830	70028	GREATER MINNESOTA AGENCY INC	101-20200	192.00
08/10	08/05/2010	139831	70029	GUARDIAN PEST CONTROL INC	101-20200	77.74
08/10	08/05/2010	139832	80022	HAWKINS INC	601-20200	1,301.79
08/10	08/05/2010	139833	80026	HUSKY SPRING	101-20200	14.08
08/10	08/05/2010	139834	801	JESSIE KINTNER	604-20200	39.10
08/10	08/05/2010	139835	100023	JIM'S CLEANING	101-20200	75.00
08/10	08/05/2010	139836	110023	KEEPRS INCORPORATED	101-20200	188.94
08/10	08/05/2010	139837	110006	KEN WASCHKE AUTO PLAZA	101-20200	77.39
08/10	08/05/2010	139838	804	KRIS KOOMBE	101-20200	185.00
08/10	08/05/2010	139839	120032	LAKE COUNTRY POWER	101-20200	211.34
08/10	08/05/2010	139840	120002	LAWSON PRODUCTS INC	101-20200	471.64
08/10	08/05/2010	139841	803	MARK KELLEY	101-20200	2,000.00
08/10	08/05/2010	139842	805	MATT JOHNSON	101-20200	500.00
08/10	08/05/2010	139843	130004	MESABI DAILY NEWS	101-20200	611.41
08/10	08/05/2010	139844	130026	MESABI SIGN COMPANY	101-20200	267.19
08/10	08/05/2010	139845	130109	METRO FIRE	101-20200	341.81
08/10	08/05/2010	139846	130133	MIDWEST PLAYSCAPES INC	301-20200	61,925.21
08/10	08/05/2010	139847	808	MIKE KOSKELA	101-20200	400.00
08/10	08/05/2010	139848	140026	MINNESOTA ENERGY RESOURCES	602-20200	163.10
08/10	08/05/2010	139849	130009	MINNESOTA POWER (ALLETE INC)	101-20200	1,706.63
08/10	08/05/2010	139850	130015	MOUNTAIN IRON PUBLIC UTILITIES	603-20200	17,582.13
08/10	08/05/2010	139851	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	46,369.13
08/10	08/05/2010	139852	140004	NORTHERN ENGINE & SUPPLY INC	603-20200	377.90
08/10	08/05/2010	139853	160063	P & H SERVICES	101-20200	159.29
08/10	08/05/2010	139854	160003	PERPICH TV & MUSIC INC	101-20200	94.01
08/10	08/05/2010	139855	807	PETER GARMAN	101-20200	500.00
08/10	08/05/2010	139856	160043	POMP'S TIRE SERVICE INC	101-20200	1,091.21

M = Manual Check, V = Void Check

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
08/10	08/05/2010	139857	170001	QWEST	101-20200	110.03
08/10	08/05/2010	139858	170002	QWEST/POLE RENTAL	604-20200	22.00
08/10	08/05/2010	139859	180012	RESCO	604-20200	943.07
08/10	08/05/2010	139860	802	ROBERT SKALKO	604-20200	20.60
08/10	08/05/2010	139861	809	RON EBNET	101-20200	300.00
08/10	08/05/2010	139862	190003	SARANEN AUTO	101-20200	241.53
08/10	08/05/2010	139863	190045	SERVICE SOLUTIONS	101-20200	22.34
08/10	08/05/2010	139864	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	37,500.00
08/10	08/05/2010	139865	190016	ST LOUIS COUNTY AUDITOR	101-20200	330.00
08/10	08/05/2010	139866	806	STEVE HEINRICH	101-20200	425.00
08/10	08/05/2010	139867	812	T & E CONCERT SERVICE	101-20200	1,850.00
08/10	08/05/2010	139868	200003	TACONITE TIRE SERVICE	603-20200	762.17
08/10	08/05/2010	139869	200009	TROPHY SHOP	101-20200	113.29
08/10	08/05/2010	139870	200010	TUCK N ROLL UPHOLSTERY	101-20200	125.00
08/10	08/05/2010	139871	210010	ULLAND BROTHERS INC	301-20200	119,020.75
08/10	08/05/2010	139872	210001	UNITED ELECTRIC COMPANY	101-20200	11,293.73
08/10	08/05/2010	139873	210004	UPSTART INC	101-20200	70.95
08/10	08/05/2010	139874	210009	USA BLUE BOOK	602-20200	133.03
08/10	08/05/2010	139875	220025	VERIZON WIRELESS	604-20200	32.01

Totals:

520,007.88

Payroll-PP Ending 7/23/10

105,764.84

Electronic Transfer-Sales Tax

14,475.71

TOTAL EXPENDITURES

\$640,248.43



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

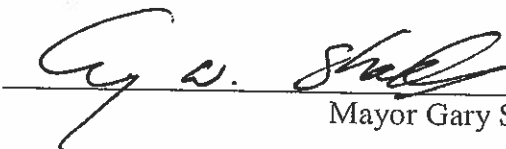
WHEREAS, the Mountain Iron City Council approves of the above application because it supports community and economic development.

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:

City Administrator



Mayor Gary Skalko

MINUTES
MOUNTAIN IRON CITY COUNCIL
COMMITTEE OF THE WHOLE MEETING
AUGUST 2, 2010

Mayor Skalko called the City Council meeting to order at 6:00 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Jill M. Anderson, Municipal Services Secretary.

At 6:03 p.m., it was moved by Zupancich and seconded by Prebeg to recess the meeting to a closed meeting to evaluate the performance of the management staff and consider strategy for negotiations and discuss merit increases. The motion carried.

The closed meeting went into session with the following present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko.

At 6:27 p.m., it was moved by Zupancich and seconded by Stanaway to recess the closed meeting until Monday, August 16, 2010, at 5:30 p.m. The motion carried.

At 6:29 p.m., it was moved by Zupancich and seconded by Prebeg that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC
Municipal Services Secretary

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**BENCHMARK
ENGINEERING, INC.**

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
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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

August 11, 2010

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

Re: City of Mountain Iron, MN
2010 Street Improvements
Project No. MI10-01

Dear Mr. Wainio;

Enclosed please find Pay Request No. 2 for the 2010 Street Improvements project in the amount of **\$7,362.97**, 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. All contract work has been completed and a final review by City Staff and our office is forthcoming.

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. Jerry Nemanich, Mesabi Bituminous

RECOMMENDATION OF PAYMENT

No. 2

Owner's Project No.: _____

Engineer's Project No.: MI10-01

Project: 2010 Street Improvements

CONTRACTOR: Mesabi Bituminous, Inc., P.O. Box 728, Gilbert, MN 55741

For Period Ending: August 10, 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 August 11, 2010

By  _____

STATEMENT OF WORK

Original Contract Price	\$ <u>120,056.80</u>	Work & Materials to Date	\$ <u>106,388.50</u>
Net Change Orders	\$ <u>0.00</u>	Amount Retained (5%)	\$ <u>5,319.43</u>
Current Contract Price	\$ <u>120,056.80</u>	Subtotal	\$ <u>101,069.07</u>
		Previous Payments	\$ <u>93,706.10</u>
		Amount Due this Payment	\$ <u>7,362.97</u>



PAY REQUEST NO. 2
 2010 STREET IMPROVEMENTS
 MOUNTAIN IRON, MINNESOTA
 PROJECT NO.: MI10-01

CONTRACTOR: MESABI BITUMINOUS, INC.

ITEM NO.	ITEM	UNITS	PROJECT QUANTITY	ITEM COST	TOTAL QUANTITY	TOTAL AMOUNT
2105.603	CONSTRUCT DRAINAGE DITCH	LIN. FT.	150.0	\$6.00	150.0	\$900.00
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	355.0	\$22.00	360.0	\$7,920.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	1,090.0	\$70.00	800.5	\$56,035.00
2350.502	TYPE LV5 NON-WEARING COURSE MIXTURE (B)	TON	350.0	\$70.00	423.4	\$29,638.00
2511.501	RANDOM RIPRAP CLASS III	CU. YD.	5.0	\$35.00	5.0	\$175.00
2563.601	TRAFFIC CONTROL	LUMP SUM	1.0	\$3,500.00	1.0	\$3,500.00
2573.502	SILT FENCE, TYPE PREASSEMBLED	LIN. FT.	80.0	\$5.00	80.0	\$400.00
2573.512	TEMPORARY DITCH CHECK TYPE 2	LIN. FT.	10.0	\$10.00	10.0	\$100.00
2575.523	EROSION CONTROL BLANKET CATEGORY 3	SQ. YD.	60.0	\$3.00	60.0	\$180.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	1.0	\$500.00	1.0	\$500.00
2582.502	4" BROKEN YELLOW LINE - PAINT (TEMPORARY STRIPING)	LIN. FT.	3,950.0	\$0.01	0.0	\$0.00
2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	3,950.0	\$0.67	6,110.0	\$4,093.70
2582.502	4" SOLID LINE WHITE - EPOXY	LIN. FT.	7,910.0	\$0.38	7,360.0	\$2,796.80
2582.502	PAVEMENT MESSAGE	EACH		\$75.00	2.0	\$150.00

COMPLETED TO DATE: \$106,388.50
 LESS RETAINAGE: (\$5,319.43)
 SUBTOTAL PAY REQUEST #2: \$101,069.07
 LESS PREVIOUS PAYMENTS: \$93,706.10

TOTAL PAY REQUEST #2: \$7,362.97

BENCHMARK ENGINEERING, INC.



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August 11, 2010

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

Re: City of Mountain Iron, MN
Mountain Iron Baseball Fields Reconstruction
Project No. MIPR09-01 & MIPR09-02

Dear Mr. Wainio;

Enclosed please find Pay Request No. 3 for the Baseball Fields Reconstruction project in the amount of **\$37,780.46**, 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. Jerry Nemanich, Mesabi Bituminous

RECOMMENDATION OF PAYMENT

No. 3

Owner's Project No.: _____

Engineer's Project No.: MIPR09-01 & MIPR09-02

Project: Mountain Iron Baseball Fields Reconstruction

CONTRACTOR: Mesabi Bituminous, Inc., P.O. Box 728, Gilbert, MN 55741

For Period Ending: August 10, 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 August 11, 2010

By  _____

STATEMENT OF WORK

Original Contract Price	\$ <u>126,526.50</u>	Work & Materials to Date	\$ <u>120,607.80</u>
Net Change Orders	\$ <u>0.00</u>	Amount Retained (5%)	\$ <u>6,030.39</u>
Current Contract Price	\$ <u>126,526.50</u>	Subtotal	\$ <u>114,577.41</u>
		Previous Payments	\$ <u>76,796.95</u>
		Amount Due this Payment	\$ <u>37,780.46</u>



PAY REQUEST NO. 3
 MOUNTAIN IRON BASEBALL FIELDS RECONSTRUCTION
 CITY OF MOUNTAIN IRON, MINNESOTA

CONTRACTOR: MESABI BITUMINOUS, INC.

PROJECT NO: MIPR09-01 & MIPR09-02

ITEM NO.	ITEM	UNITS	PLAN QUANTITY	ITEM COST	WEST VIRGINIA	WOLF	COMBINED	TOTAL AMOUNT
					TOTAL QUANTITY	TOTAL QUANTITY	OVERALL QUANTITY	
2101.511	CLEARING AND GRUBBING	LUMP SUM	1.0	\$5,200.00	1.0		1.0	\$5,200.00
2104.503	REMOVE CONCRETE SLAB	SQ. FT.	240.0	\$1.00	240.0		240.0	\$240.00
2104.503	REMOVE CONCRETE SIDEWALK	SQ. FT.	1031.0	\$0.50	2,273.0		2,273.0	\$1,136.50
2104.509	REMOVE MISCELLANEOUS STRUCTURES	LUMP SUM	1.0	\$250.00	0.5	0.5	1.0	\$250.00
2105.501	COMMON EXCAVATION (PV)	CU. YD.	1492.0	\$6.00	690.0	802.0	1,492.0	\$8,952.00
2105.522	SELECT GRANULAR BORROW (CV)	CU. YD.	1024.0	\$9.00	54.0	1,406.0	1,460.0	\$13,140.00
2105.525	TOPSOIL BORROW (LV)	CU. YD.	1000.0	\$10.80	324.0	814.0	1,138.0	\$12,290.40
2105.535	SALVAGED TOPSOIL (PV)	CU. YD.	628.0	\$5.00	198.0	430.0	628.0	\$3,140.00
2105.602	GRAVEL ENTRANCE RESTORATION	EACH	1.0	\$500.00			0.0	\$0.00
2211.604	AGGREGATE BASE SPECIAL (CV)	CU. YD.	380.0	\$82.00	130.0	203.0	333.0	\$27,306.00
2502.501	4" PRECAST HEADWALL	EACH	1.0	\$50.00		1.0	1.0	\$50.00
2502.541	4" PERFORATED TP PIPE DRAIN W/ GEOTEXTILE SOCK	LIN. FT.	585.0	\$8.00	145.0	440.0	585.0	\$4,680.00
2502.541	4" PVC - SDR 35	LIN. FT.	123.0	\$6.00	50.0	73.0	123.0	\$738.00
2503.602	CONNECT TO EXISTING CATCH BASIN	EACH	1.0	\$250.00	1.0		1.0	\$250.00
2521.501	4" CONCRETE SIDEWALK	SQ. FT.	80.0	\$8.00	80.0		80.0	\$640.00
2540.602	BASES, PLATES, & ANCHORS	LUMP SUM	2.0	\$2,500.00			0.0	\$0.00
2557.501	WIRE FENCE DESIGN 72-9322	LIN. FT.	1580.0	\$16.05	540.0	1,078.0	1,618.0	\$25,968.90
2557.501	WIRE FENCE DESIGN SPECIAL	LIN. FT.	135.0	\$95.00	65.0	70.0	135.0	\$12,825.00
2557.517	VEHICULAR GATE - DOUBLE	EACH	1.0	\$725.00		1.0	1.0	\$725.00
2573.502	SILT FENCE, TYPE PREASSEMBLED	LIN. FT.	1423.0	\$2.00	488.0	900.0	1,388.0	\$2,776.00
2573.512	TEMPORARY DITCH CHECK TYPE 3	LIN. FT.	20.0	\$10.00			0.0	\$0.00
2573.602	TEMPORARY ROCK CONSTRUCTION ENTRANCE	EACH	2.0	\$300.00		1.0	1.0	\$300.00
2575.505	SODDING LAWN TYPE	SQ. YD.	360.0	\$4.00			0.0	\$0.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	1.0	\$1,200.00			0.0	\$0.00

PER PROJECT COST TO DATE: \$44,644.70 \$75,963.10

COMPLETED TO DATE: \$120,607.80
 LESS RETAINAGE: (\$6,030.39)
 SUBTOTAL PAY REQUEST #3: \$114,577.41
 LESS PREVIOUS PAYMENTS: (\$76,796.95)
 TOTAL PAY REQUEST #3: \$37,780.46


 BENCHMARK ENGINEERING, INC.

COUNCIL LETTER 081610-IVE1

PARKS AND RECREATION

EQUIPMENT DISPOSITION

DATE: August 12, 2010

FROM: Parks and Recreation Board

Don Kleinschmidt
Director of Public Works

The Parks and Recreation Board is recommending to the City Council that the shovel, bulldozer and miscellaneous equipment located in Locomotive Park be removed or have the City Council determine the cost of maintenance and refurbishing the equipment to comply with the City's insurance requirements.

COUNCIL LETTER 081610-VIA

ADMINISTRATION

ENERGY PARK PHASE III

DATE: August 12, 2010

FROM: Craig J. Wainio
City Administrator

Phase II of the Renewable and Sustainable Energy Park will include the construction of a road base and the installation of water services. Current estimates for this project are \$150,000 and will be paid through grant dollars available. It is recommended that the City Council authorize Benchmark to seek bid for Phase III of the energy park improvements.

COMMUNICATIONS
AUGUST 16, 2010

1. League of Minnesota Cities, forwarding a report called: *Cities, Services and Funding: Broader Thinking, Better Solutions.*



CONNECTING & INNOVATING
SINCE 1913

July 23, 2010

LMC Member,

As you may already know from reading our *Cities Bulletin* publication or viewing our web site, the League recently commissioned the Hubert H. Humphrey Institute at the University of Minnesota to complete a projection of what Minnesota city finances might look like in the coming years. We have enclosed a copy of the findings, and I think you will find them both compelling and startling.

The projection reveals that, if current revenue and spending trends continue and no policy changes are made, Minnesota cities of all sizes in all regions of the state will be broke by the year 2015. Furthermore, according to this projection, cities overall would see a deficit of 35 percent of city revenues by the year 2025.

It makes no difference where a city is located geographically, how large or small its population, what its tax base is, what the local economy looks like, or what its unique mix of revenue sources is, all types of Minnesota cities will end up in the red if big changes aren't made to city services, funding for those services, or both.

The projection serves as a foundation for a new League effort titled *Cities, Services, & Funding: Broader Thinking, Better Solutions*, an initiative designed to spur a statewide dialogue about city services and how those services are paid for. We will be working to grow awareness among Minnesotans throughout the state that:

- There are no easy solutions to the challenges involved in balancing budgets and funding city services.
- We can't simply slash spending and cut our way out of the problem, nor can we continue to close the budget gap exclusively by raising property taxes.
- Solving the challenges will take bold and creative thinking among all Minnesotans who have a stake in preserving the quality of life in our communities.

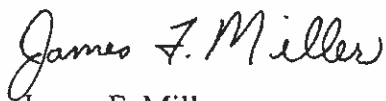
The enclosed key findings and attached article are only the first step in this process, which we must approach together as a state, and together as Minnesotans. We encourage you to grow awareness of these findings with elected officials and staff in your city, as well as city residents. Additionally, we have enclosed a DVD with a 10-minute video describing the project, and we encourage you to show the DVD at your next City Council meeting.

The next step in this cities, services, and funding effort will be a series of community conversations throughout the state, which we plan to launch this fall. The approach to these conversations will be informed by what we heard in late June from city officials who attended our Annual Conference in St. Cloud.

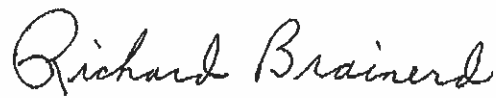
In the meantime, we are asking Minnesotans to weigh-in with their thoughts and with solutions to the future challenge of funding city services by visiting www.outsidetheox.org. We hope you'll encourage your residents to go to this web site.

The success of the cities, services and funding effort is critical to the future of cities and the people we serve. Please join us and your city colleagues in getting this effort off to a strong start, and be looking for updates on this project in the weeks and months to come.

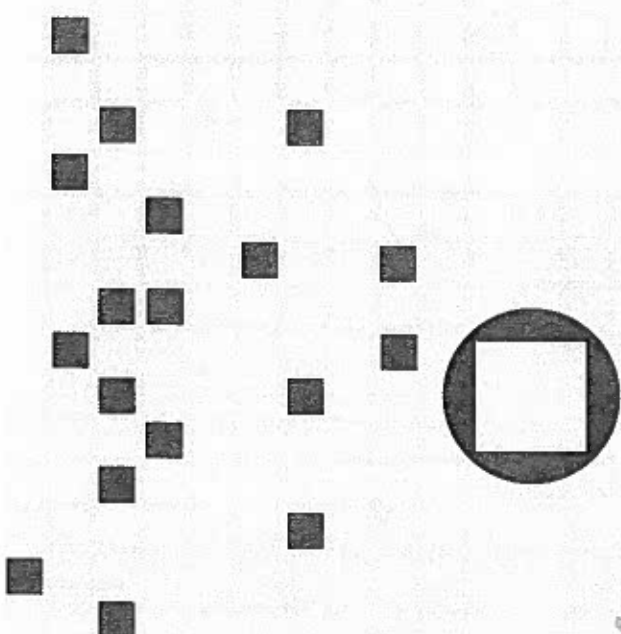
Sincerely,



James F. Miller
LMC Executive Director



Richard Brainerd
LMC Board President



Cities, Services & Funding: Broader Thinking, Better Solutions

The Projected Future of City Budgets through 2025

Key Findings from the Projection:

- Cities of every size, in every region, will be broke by 2015 if no policy changes are made.
- By the year 2025, cities overall would see a deficit of 35 percent of city revenues.
- Fundamental changes are needed in city services and funding in order for these projections to be avoided.

Key Findings

from the projection

- Projecting city revenue and expenditure trends into the future reveals that all types of Minnesota cities—cities of every size, in every region—will be broke by the year 2015 if no policy changes are made. And in many kinds of communities, this is a reality today as revenues fall short of what cities need to provide services.
- Cities overall would see a deficit of 35 percent of city revenues by the year 2025.
- For this projection of the future to be avoided, fundamental changes are needed in the way that city services are funded.

Cities of all types will be in the red by 2015

unless big changes are made

All types of cities in all regions of the state will be unable to pay the bills within the next five years if they continue on their current financial path. Looking out as far as 2025 reveals that cities overall would still be in the red if policy changes are not enacted.

Put another way, by the time babies born this year are in first grade cities of all population and tax base sizes, in all parts of the state, would be in the red if historical revenue and expenditure trends continue.

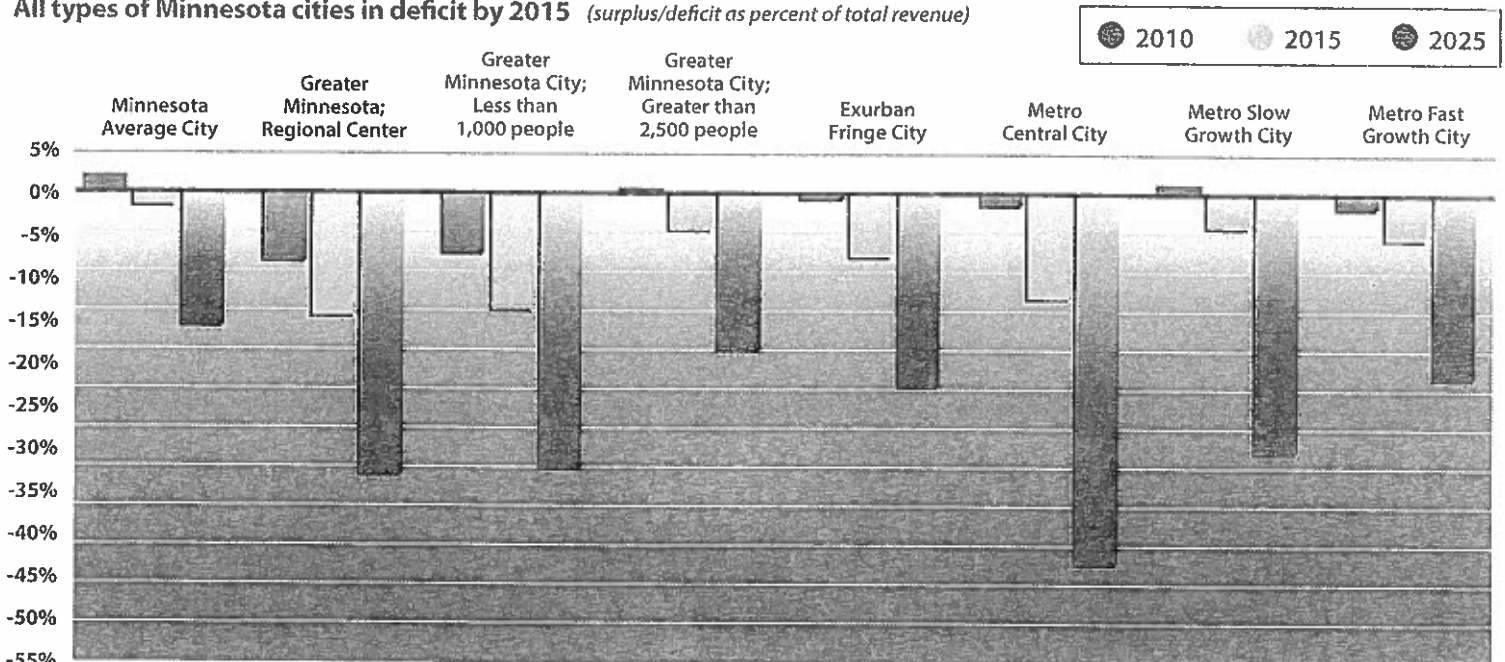
The League of Minnesota Cities contracted with researchers at the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota to carry out an analysis of city budgets. This analysis is a foundational piece of the new effort titled: "Cities, Services & Funding: Broader Thinking, Better Solutions"—an initiative currently underway by the League to spur public dialogue about the future among the city community, the public, the media, and policymakers.

The chart below shows when different kinds of cities will be in a deficit if revenue and expenditure trends continue without intervening policy changes and what portion of city revenues those deficits will represent.

The fact is that this projection of the future cannot be allowed to happen in real life.

By law, cities must balance their budgets. City officials will therefore have no choice but to enact more of the painful decisions they are already making today—primarily, cutting services and raising property taxes—to avoid this massive deficit. And unlike the state or federal government, cities do not have another level of government to shift the problem to—their options for resolving a deficit of this magnitude are much more limited and will affect local residents and businesses directly.

All types of Minnesota cities in deficit by 2015 (surplus/deficit as percent of total revenue)



Tough choices ahead

These findings are staggering—that cities of all kinds will fall into a deficit within the next five years and be unable to provide the level of services residents and businesses have come to expect. In other words, it won't matter where a city is, how big or small its population, what its tax base composition is, what its local economy looks like, or what its unique mix of revenue sources is—all types of cities end up in the red if nothing changes.

If cities reach the point where they are unable to pay the bills, agonizing choices would have to be made that would impact the day to day lives of Minnesota families, businesses, and communities across the state. Cities would become very different places in which to live, work, and play.

Why this analysis was done, and why it's so important

Cities that rely on local government aid (LGA) and other state programs have experienced dramatic cuts since 2003, and with a \$6 billion state deficit looming, the prospect of restoring that funding looks grim, to say the least.

All cities—regardless of the level of LGA they receive—are facing growing community pressure for expanded services and lower taxes. Population trends, such as the aging of the Baby Boom generation, are raising the expectations for many services. Yet at the same time, city councils are reluctant to raise property tax levies or fees because they know Minnesotans are dealing with a

To illustrate, in a deficit situation as severe as projected, cities as a group would have to eliminate a wide range of services or double property tax levies. For senior citizens across the state, those service cuts could mean no access to a library or a senior center. For children and families, there could be no baseball fields, hockey rinks or swimming pools for after-school and summer recreation. For homeowners, property values could decline as sidewalks and streets crumble into a maze of cracks and potholes. This isn't hyperbole—it's simply the continuation of the slow path of degradation Minnesotans have been seeing for the past seven years.

tough economy and are increasingly on fixed incomes.

In response to this current situation, the League asked the Humphrey Institute to calculate a projection of what the future would look like if nothing changes—if no property tax levies were raised, LGA funding was essentially flat, and services remained at current levels. The Humphrey Institute projection confirms that the future is not sustainable given the current financial trends and historic relationship between the state and cities. The time has come to find a *new* state-local financial relationship.

We need broader thinking and better solutions

The League believes that the time has come for bold action: a complete rethinking of the services cities provide and how to pay for those services. To find better solutions for the people of Minnesota, a broader conversation must begin now—in cities of every size in every corner of the state.

Broader thinking is needed—where more Minnesotans are involved in the conversation and the conversation is about more than the current ways of doing things.

The solutions aren't obvious. We need more than just those who are typically involved in public policy to be thinking and talking about cities, services and funding in order to ensure that what we know and love about our communities will be there in the future.

To this end, the League plans to get Minnesotans of all walks of life, in all regions of the state, thinking and talking about what the future holds for their communities. The plan is to hold a variety of community conversations throughout Minnesota over the course of 2010 and 2011. The League has already begun to collect citizen perspectives through its new blog site: www.outsidetheox.org. The thoughts gathered from citizens will form the basis for policy proposals and, hopefully, legislative action.

The League is confident that the collective thinking of Minnesotans throughout the state will lead policymakers toward better solutions for our communities.

Research staff at the Humphrey Institute performed two main tasks as part of the analysis: projection of overall city revenues and expenditures through the year 2025 and interviews with city officials across the state. The researchers relied primarily on city revenue and expenditure data from the Office of the State Auditor's annual city finances reports. The most recent data from the OSA is for city budget year 2008. LMC provided historical data from the Department of Revenue on local government aid, market value homestead credit reimbursement and property tax levies. The researchers looked at 11 years worth of historical city revenue and expenditure data as well as data on property taxes, and state aids and credits.

Based on those historical trends and assuming current policies continue unchanged, they projected that total city revenues will increase at an annual rate of 3.7 percent between 2010 and 2025 and that total city expenditures will grow at an annual rate of 5.5 percent in that time period. That projection is the status quo outcome if no policy changes are enacted between now and then. Cities are facing and will continue to face several cost pressures that are beyond local control such as the price of fuel, rising health care costs, foreclosures, and changing demographics. The researchers calculated the overall city surplus or deficit at various points in the future as a percentage of total city revenues.

The researchers also projected revenues and expenditures for eight different profiles of cities. The projections for these profiles serve to demonstrate the extent to which the problem of expenditures outstripping revenues spreads to cities of all kinds (see Appendix for revenue and expenditure figures for all profiles).

continued

The profiles are based on demographic and geographical characteristics and are as follows:

- Minnesota average city: profile built for city with average population (*excluding Minneapolis and St. Paul*)
- Minnesota central city: average of Minneapolis and St. Paul
- Greater Minnesota regional cities: cities outside the seven-county metro area that serve as regional hubs (e.g., Albert Lea, Mankato)
- Greater Minnesota cities under 1,000
- Greater Minnesota cities greater than 2,500 (*excluding regional centers*) (e.g., *Olivia, Two Harbors*)
- Exurban fringe cities: cities essentially part of metropolitan area but lying just outside seven-county boundaries (e.g., *Elk River, Rockford*)
- Metro slow growth cities: 14 cities that have not grown over last 28 years (e.g., *Edina, West St. Paul*)
- Metro fast growth cities: 73 metro cities that have seen population growth over 100 percent in last 28 years (e.g., *Apple Valley, Lakeville*)

To better understand what these projections might mean for individual cities in terms of the kinds of decisions local leaders would face, interviews were conducted with city officials representing each profile city. Cities belonging to each profile were randomly selected as interview candidates. Researchers contacted the chief administrative officer of as many of them as possible during the study period. A total of 36 interviews was conducted. City officials described potential cuts to parks, libraries, housing, and capital projects. Many stressed that service levels would decline. Of top concern among the various pressures on cities budgets

are the aging of the population, energy costs, and falling property values.

Assumptions Used in Projections

The analysis was performed in January and February of 2010. The analysis is static, meaning that the starting point for the projection is a snapshot in time in terms of input data available. In order to project out into the future, several assumptions were used. The key assumptions were as follows:

- Property tax rates remain flat, meaning any growth in property tax revenues comes from tax base increases. This assumption removes policy decisions that cannot be predicted regarding the size of a city levy from the analysis.
- Inflation was set at 2 percent as suggested in the Minnesota Budget Trends Study Commission final report. That commission examined state budget trends in order to project surpluses or deficits in the future.
- LGA was reduced by \$50 million for 2010 from the \$434 million remaining after the \$102 million cut the Governor made in the now-ratified unallotments. LGA is then held flat through 2025. *[Note: The \$50 million reduction is slightly worse than what actually transpired in the 2010 legislative session (an additional cut of \$7.8 million). There are serious concerns, however, about the future availability of LGA given the state's ongoing budget deficit problems.]*
- MVHC reimbursements were reduced 11.5 percent in 2010. This reduction is in addition to the \$26 million cut to the program made by the Governor in the now-ratified unallotments. MVHC is then held flat through 2025.

[Note: The actual outcome of the 2010 session was a much larger cut to the reimbursement payments for 2010 of \$45 million and then a return to the post-ratified unallotment level of roughly \$56 million.]

- The projections assume that cities maintain sufficient reserves to comply with the State Auditor's position on fund balances. Those reserves serve to meet cash flow needs between cities' two main influxes of revenue each year and in case of unexpected expenditures such as dealing with natural disasters. The assumptions used in assembling the projections reflect information available at the time. For example, the final outcome for city LGA and MVHC payments was not yet known during the study period. Thus, the assumption that 2010 LGA would be reduced by \$50 million following the Governor's unallotment reductions represents the best possible guess at the time. Since the analysis was performed, several key events have occurred that represent changes in cities' financial picture. An important one is that the large reduction (\$50 million) to LGA that is assumed for 2010 did not occur. Instead of a \$50 million decrease from the post-ratified unallotment level of \$434 million, \$7.8 million was cut. On the other hand, a much larger reduction from MVHC reimbursement than was included in the projections did occur. The 2010 legislature reduced the reimbursement payments by almost \$45 million. If those two changes were reflected in a revised projection, the 2010 deficit amount would grow for cities overall and for each of the different city profiles developed in the analysis. The timing of when different kinds of cities would fall into deficit remains largely the same.

APPENDIX — City Profiles: Revenue and Expenditures through 2025

	2007	2008	2009	2010	2015	2020	2025
Minnesota Average City Surplus/(Deficit) in \$'s							
Total Revenues	5,847,369	6,011,870	6,054,109	6,120,786	7,401,401	8,871,288	10,820,948
Total Expenditures	5,453,187	5,566,812	5,792,211	5,974,612	7,509,269	9,655,563	12,655,607
Total Surplus/(Deficit)	394,182	445,058	261,897	146,174	(107,868)	(784,275)	(1,834,659)
Minnesota Metro Central City Surplus/(Deficit) in \$'s							
Total Revenues	766,163,027	795,302,404	805,963,653	806,655,535	965,673,616	1,152,822,869	1,397,057,453
Total Expenditures	722,437,012	738,666,147	777,566,709	817,552,784	1,093,404,406	1,494,453,286	2,056,802,151
Total Surplus/(Deficit)	43,726,016	56,636,257	28,396,943	(10,897,249)	(127,730,790)	(341,630,417)	(659,744,698)
Greater Minnesota Regional Surplus/(Deficit) in \$'s							
Total Revenues	27,463,564	27,887,156	28,025,214	27,894,954	33,885,355	40,901,083	50,487,761
Total Expenditures	25,621,547	27,875,680	29,153,107	30,282,672	39,206,578	51,652,601	68,667,175
Total Surplus/(Deficit)	1,842,017	11,476	(1,127,892)	(2,387,718)	(5,321,222)	(10,751,518)	(18,179,413)
Greater Minnesota Cities Less than 1,000 people Surplus/(Deficit) in \$'s							
Total Revenues	486,647	423,680	428,381	421,029	503,541	601,405	733,535
Total Expenditures	478,678	418,202	436,421	452,504	578,248	753,254	990,600
Total Surplus/(Deficit)	7,969	5,477	(8,040)	(31,474)	(74,708)	(151,849)	(257,065)
Greater Minnesota Cities Greater than 2,500 people Surplus/(Deficit) in \$'s							
Total Revenues	11,962,618	12,902,758	12,938,025	13,009,920	15,876,189	19,297,776	23,919,937
Total Expenditures	11,865,787	11,915,562	12,449,301	12,910,728	16,606,221	21,728,376	28,696,700
Total Surplus/(Deficit)	96,831	987,196	488,724	99,193	(730,032)	(2,430,600)	(4,776,763)
Exurban Fringe Surplus/(Deficit) in \$'s							
Total Revenues	1,759,918	1,889,682	1,918,779	1,918,186	2,269,259	2,724,372	3,334,294
Total Expenditures	1,594,963	1,783,802	1,857,523	1,923,490	2,451,022	3,175,956	4,151,465
Total Surplus/(Deficit)	164,955	105,880	61,256	(5,304)	(181,763)	(451,584)	(817,172)
Metro Slow Growth Surplus/(Deficit) in \$'s							
Total Revenues	21,979,742	20,287,852	20,146,489	20,805,475	25,702,162	30,390,176	36,319,204
Total Expenditures	17,972,510	18,844,717	19,694,106	20,499,383	26,730,122	35,769,335	48,296,977
Total Surplus/(Deficit)	4,007,232	1,443,134	452,382	306,092	(1,027,960)	(5,379,159)	(11,977,774)
Metro Fast Growth Surplus/(Deficit) in \$'s							
Total Revenues	25,891,001	23,452,399	23,616,203	24,559,953	30,353,892	36,643,352	44,824,243
Total Expenditures	24,404,452	25,413,887	24,018,015	24,921,095	32,057,793	41,899,270	55,261,954
Total Surplus/(Deficit)	1,486,549	(1,961,487)	(401,812)	(361,141)	(1,703,901)	(5,255,918)	(10,437,711)

