

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, AUGUST 20, 2007 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
- II. Consent Agenda
  - A. Minutes of the August 6, 2007, Regular Meeting (#1-10)
  - B. Communications
  - C. Receipts
  - D. Bills and Payroll
- III. Public Forum
- IV. Committee and Staff Reports
  - A. Mayor's Report
    - 1. Meetings with MIB Officials(#11)
  - B. City Administrator's Report
    - 1. West Two Rivers Campground Lease(#12-26)
    - 2. Probationary Status(#27)
  - C. Director of Public Works Report
    - 1. Bucket Truck Quotes (#28)
  - D. Library Director's Report
    - 1. Carpeting Disposal (#29)
  - E. Sheriff's Department Report(#30)
  - F. City Engineer's Report
  - G. City Attorneys Report
    - 1. League of MN Cities Article (#31-32)
  - H. Public Health and Safety Board
    - 1. Recommendations (#33-36)
  - I. Planning and Zoning Commission(#37-38)
    - 1. Anderson Conditional Use Permit(#39)
  - J. Liaison Reports
- V. Unfinished Business
  - A. Downtown Pavilion (#40)
  - B. Downtown Porch Type Swings (#41)
- VI. New Business
  - A. Resolution 41-07 Authorizing Sale of Bonds(#42-76)
  - B. Resolution 42-07 Ordering Report (#77-78)
  - C. Storz Hydrant Connections(#79)
  - D. New Archery Range Location(#80)
  - E. Mott Pit Access Upgrade(#81)
  - F. Spirit Lake-Kinross Sanitary Sewer(#82)
  - G. Administrative Time-Off (#83)
  - H. Downtown Alley Paving (#84)
  - I. Communications(#43-44)
- VII. Open Discussion on City Business
- VIII. Announcements
- IX. Adjourn

# Denotes page number in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
AUGUST 6, 2007

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; Jill M. Forseen, Municipal Services Secretary; Rod Flannigan, City Engineer; Rick Feiro, Sergeant; and Sally Peterangelo, Librarian (entering at 7:05 p.m.).

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

1. Add the following items on to the agenda:
  - IV. A. 2. Pagliaccetti Wedding Reception
  - VI. E. Move to: IV. D. 2. Nichols Hall Parking Lot
  - III. A. First Responders – Request for Defibrillators
2. Approve the minutes of the July 16, 2007, City Council meeting as submitted.
3. Approve the minutes of the July 23, 2007, Special City Council meeting as submitted.
4. 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.
5. To acknowledge the receipts for the period July 16-31, 2007, totaling \$485,346.48, (a list is attached and made a part of these minutes).
6. To authorize the payments of the bills and payroll for the period July 16-31, 2007, totaling \$436,570.97, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

During the public forum, Alan Mattila, Director of the Mountain Iron First Responders, was present and updated the Council regarding the need for new defibrillators for the First Responders. He stated that the final cost for the ten new defibrillators and training would be \$18,000 with a \$5,000 credit for trading in the current defibrillators that have been taken out of service because they no longer meet the American Heart Standards. He said that the Sales Representative would be available to discuss this further with the Council at the next regular meeting.

It was moved by Skalko and seconded by Roskoski to authorize the purchase of ten (10) HeartStart FR2+ with ECG AED Defibrillators from Phillips Medical Systems for their low quote of \$18,633.80 with the trade-in of the Physio Control LP 5000 AED Defibrillators. The motion carried unanimously on a roll call vote.

During the Mayor's report, the Mayor updated the Council on the following:

- Recreation Department. He commended the City Administrator, the Director of Public Works, and the Librarian for completing the Recreation Director's responsibilities following the retirement of Larry Nanti.
- Library. He commended the Library Staff for the great summer programs that have been scheduled this summer.
- Iron Range Retrievers Club. He said that the field run events that they have held, brings large amounts of people to the area from all over the United States and Canada and this is very good for the local economy.

It was moved by Skalko and seconded by Prebeg to enter into a joint partnership with the Mountain Iron-Buhl School District to authorize an expenditure of \$1,800 to televise 12 athletic events, six boys and six girls, for the 2007-2008 school year. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Stanaway to authorize the Pagliaccetti Wedding Reception on August 17, 2007 to allow Adventures Restaurant and Pub to provide on-sale liquor sales at the Mountain Iron Community Center. The motion carried.

It was moved by Stanaway and seconded by Zupancich to award the Library carpeting quote to Dorholt Tile and Home Center for their low quoted price of \$11,890. The motion carried unanimously on a roll call vote.

The City Administrator updated the Council on the following:

- Local Government Aid. Reported that Mountain Iron's LGA amount will be \$825,649 in 2008 from \$718,350 in 2007.
- Park Ridge Development. Handed out an article written about the Park Ridge Development in the Business North Magazine.
- Unity Second Addition. Advised the Council that there is a Preconstruction meeting set for Thursday, August 9, 2007 at 9:00 a.m. at the City Hall. He advised the Council again that the lots will be going on sale on August 20, 2007, at 8:00 a.m.
- Sale of Bonds. The Street/Unity Second Addition Bond sale information will be presented at the first regular meeting in September.

It was moved by Prebeg and seconded by Zupancich to authorize pay request number three to Ulland Brothers Incorporated for the 2006 Street Improvement Project in the amount of \$177,813.02. The motion carried on the following roll call vote: Prebeg, yes; Zupancich, yes; Stanaway, yes; Roskoski, no; and Skalko, yes.

Councilor Roskoski questioned the City Engineer regarding the paving of the Nichols Town Hall parking lot. He questioned who authorized the paving of the parking lot. He said that there was a 20 foot wide by 40 foot long by one inch deep bird bath in the parking lot.

The City Engineer said that the parking lot was to be paved when the contractor agreed to complete the project at last year's prices. The City Engineer said that the contractor was informed that the bird bath was unacceptable and the contractor said that they would fix the bird bath.

It was moved by Zupancich and seconded by Skalko to transfer the South ½ of the Northwest Quarter of the Southeast Quarter of Section 15, Township 58 North, Range 18 West to the Mountain Iron Economic Development Authority to continue pursuing a development agreement to place a housing development in the area. The motion carried with Councilor Roskoski voting no.

It was moved by Zupancich and seconded by Stanaway to forward the following recommendations passed by the Safety and Health Committee to the proper Department Heads, Committees, and Staff Members:

- Rescind Fire Department By-Laws as per League of Minnesota Cities recommendations.
- Have the Personnel Committee review the Fire Department position analysis with the Fire Chief and make any necessary changes.
- Fence the excess equipment/parts in Locomotive Park for safety reasons.
- Have Department Heads develop an Influenza Pandemic Plan.
- Have appropriate large signage placed near the equipment on display in the City to discourage climbing on the equipment.
- Have the Personnel Committee develop a Seat Belt Policy requiring all City Employees to wear seat belts in all City vehicles or any vehicle while on City business.
- Have Staff check into the placing of emergency warning sirens in the City, (costs, where to place, how many?).

The motion carried unanimously.

At 7:41 p.m., Councilor Roskoski left the meeting.

At 7:43 p.m., Councilor Roskoski returned to the meeting.

It was moved by Stanaway and seconded by Zupancich to authorize an increase in the pension amount for the Mountain Iron Volunteer Firemen for 2008 by \$100 per year beginning in 2008 and have the City Council review the pension in 2008 for a possible increase for 2009. The motion carried unanimously.

At 8:02 p.m., Councilor Prebeg left the meeting.

At 8:04 p.m., Councilor Prebeg returned to the meeting.

It was moved by Skalko and seconded by Prebeg to continue with the agreement that was originally made with Vincent D. Goerdts for the property located at 5741 Mesabi Avenue, Mountain Iron for the new owner Mike Determan. After further discussion, Mayor Skalko withdrew his motion and Councilor Prebeg withdrew his second.

It was moved by Skalko and seconded by Prebeg to send the agreement that was originally made with Vincent D. Goerdts for the property located at 5741 Mesabi Avenue, Mountain, for the new owner Mike Determan, to the Public Safety and Health Board meeting on August 13, 2007, for a recommendation and have the agreement on the August 20, 2007, City Council agenda for further consideration. The motion carried.

It was moved by Zupancich and seconded by Skalko to adopt Resolution Number 38-07, final approval of Unity Second Addition Plat, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Prebeg and seconded by Zupancich to adopt Resolution Number 39-07, authorizing the sale of certain property, (a copy is attached and made a part of these minutes). The motion carried with Councilor Roskoski voting no.

It was moved by Roskoski and supported by Zupancich to have the City Attorney review the article on Page 19 of the June/July 2007 League of Minnesota Cities magazine and clarify the noted statutes in regard to how they would fit in with our community and ordinances and if the Attorney completes the review to give it to the Council for the August 20, 2007, City Council meeting. After further discussion, Councilor Roskoski **withdrew his motion** and Zupancich withdrew his second.

It was moved by Roskoski that the present Street and Alley Committee be abolished and all matters relating to streets and alleys come before the City Council for review and approval, if the Street and Alley Committee is not abolished, by this Council then all street and alley issues, projects, requests, and other than small routine repairs, will be forwarded to that Committee for review and final recommendation to the City Council. The **motion failed** for lack of a second.

The Council discussed the correspondence received from Saint Louis County regarding the City's request to accept control over Old Highway 169.

During the open discussion, the following items were discussed:

- Slate Street Paving. Councilor Roskoski questioned how Slate Street got paved and where the approval came from. Councilor Roskoski questioned the possible assessments on Slate Street and if this was going to be completed. The consensus of the remaining Council members was that they had not received any calls or heard any negative comments regarding the Slate Street Project.

- Nichols Hall Parking Lot Paving. Councilor Roskoski stated that it was a good idea that the lot was paved, but should have had Council input on the project. The consensus of the remaining Council members was that they had not received any calls or heard any negative comments regarding the Slate Street Project.

At 8:29 p.m., it was moved by Skalko and seconded by Stanaway that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Forseen, CMC/MMCA  
Municipal Services Secretary

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

#### COMMUNICATIONS

1. Saint Louis County Public Works Department, a letter concerning control over Old Highway 169 between the DM & IR Railroad and County Road 661.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	99,617.73
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	1,050.00
BUILDING RENTALS	COMMUNITY CENTER	675.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	303.91
CD INTEREST	CD INTEREST 101	409.12
CD INTEREST	CD INTEREST 378	1,628.10
CD INTEREST	CD INTEREST 602	399.88
CD INTEREST	CD INTEREST 603	485.57
CD INTEREST	CD INTEREST 604	28.59
PERMITS	BUILDING	2,392.28
CAMPGROUND RECEIPTS	FEES	4,490.00
MISCELLANEOUS	ASSESSMENT SEARCHES	130.00
MISCELLANEOUS	REIMBURSEMENTS	1,785.00
BUILDING RENTALS	NICHOLS HALL	100.00
METER DEPOSITS	ELECTRIC	2,100.00
LICENSES	ANIMAL	5.00
COPIES	COPIES	15.31
FINES	CRIMINAL	1,256.10
INTERGOVERNMENTAL REVENUE	LOCAL GOVERNMENT AID	359,175.00
INTERGOVERNMENTAL REVENUE	MISCELLANEOUS STATE AID	2,264.50
BUILDING RENTALS	SENIOR CENTER	50.00
MISCELLANEOUS	CABLE TV FRANCHISE FEE	5,981.17
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	500.68
MISCELLANEOUS	COCA-COLA RECEIPTS-CITY HALL	76.96
PERMITS	SPECIAL EVENTS	50.00
MISCELLANEOUS	SPEC. EVENT-FUNDS NOT USED-CR	40.00
CD INTEREST	CD INTEREST 103	276.17
CD INTEREST	CD INTEREST 301	60.41
Summary Totals:		<u>485,346.48</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
07/07	07/25/2007	135205	8036	BIWABIK BASEBALL	101-20200	75.00
07/07	07/25/2007	135206	7029	EFGSD REC	101-20200	75.00
08/07	08/07/2007	135207	8016	AMBER SUOMI	101-20200	100.00
08/07	08/07/2007	135208	130017	AMERICAN BANK	101-20200	850.00
08/07	08/07/2007	135209	10009	ARCHITECTURAL RESOURCES	301-20200	350.00
08/07	08/07/2007	135210	10021	ARROWHEAD LIBRARY SYSTEM	101-20200	266.25
08/07	08/07/2007	135211	5007	ASSURANT EMPLOYEE BENEFITS	602-20200	652.42
08/07	08/07/2007	135212	8044	BETH GRAHEK	101-20200	100.00
08/07	08/07/2007	135213	8014	BETTY SODERBERG	101-20200	100.00
08/07	08/07/2007	135214	220003	CITY OF VIRGINIA	101-20200	42.98
08/07	08/07/2007	135215	30032	COURT ADMIN.-CONCILIATION	601-20200	70.00
08/07	08/07/2007	135216	40031	DAHL'S SUNRISE DAIRY	101-20200	76.41
08/07	08/07/2007	135217	8049	DANA SCHAEFER	604-20200	33.50
08/07	08/07/2007	135218	8043	DAVID LAUGHTON	101-20200	50.00
08/07	08/07/2007	135219	8045	DENISE SANDSTROM	101-20200	100.00
08/07	08/07/2007	135220	8054	ELEANOR NELSON	604-20200	102.83
08/07	08/07/2007	135221	8052	ESTATE OF MARTHA O'FERRELL	604-20200	113.55
08/07	08/07/2007	135222	60019	FARWEST LINE SPECIALTIES	604-20200	175.81
08/07	08/07/2007	135223	70031	GAME SHOW MANIA	101-20200	1,500.00
08/07	08/07/2007	135224	70013	GENERAL ELECTRIC	603-20200	200.00
08/07	08/07/2007	135225	70028	GREATER MINNESOTA AGENCY INC	101-20200	198.00
08/07	08/07/2007	135226	70029	GUARDIAN PEST CONTROL INC	101-20200	65.76
08/07	08/07/2007	135227	80028	HANCOCK FABRICATION INC	603-20200	14.91
08/07	08/07/2007	135228	90007	INDUSTRIAL LUBRICANT COMPANY	101-20200	231.68
08/07	08/07/2007	135229	8051	IRENE HILDE	604-20200	105.15
08/07	08/07/2007	135230	90009	IRON OAKES FENCING	603-20200	314.00
08/07	08/07/2007	135231	90006	IRON TRAIL MOTORS	101-20200	1.81
08/07	08/07/2007	135232	8047	JENNIFER SCHUNK	101-20200	30.00
08/07	08/07/2007	135233	8053	JOHN OR SAMANTHA MUSAKKA	604-20200	235.20
08/07	08/07/2007	135234	8041	KAREN GARDINIER	101-20200	100.00
08/07	08/07/2007	135235	110006	KEN WASCHKE AUTO PLAZA	101-20200	21.14
08/07	08/07/2007	135236	120032	LAKE COUNTRY POWER	101-20200	162.00
08/07	08/07/2007	135237	8018	LAURA BANKS	101-20200	50.00
08/07	08/07/2007	135238	120002	LAWSON PRODUCTS INC	101-20200	475.79
08/07	08/07/2007	135239	120039	LEEF SERVICES	101-20200	21.30
08/07	08/07/2007	135240	120001	LEFTY'S RENT-A-TENT	101-20200	381.39
08/07	08/07/2007	135241	130004	MESABI DAILY NEWS	604-20200	942.90
08/07	08/07/2007	135242	130006	MESABI HUMANE SOCIETY	101-20200	1,000.00
08/07	08/07/2007	135243	1050	MICHELLE CLAVITER-TVIET	101-20200	100.00
08/07	08/07/2007	135244	130009	MINNESOTA POWER	101-20200	44,538.26
08/07	08/07/2007	135245	130015	MOUNTAIN IRON PUBLIC UTILITIES	101-20200	13,561.64
08/07	08/07/2007	135246	140014	NELSON WILLIAMS LININGS INC	603-20200	2,343.00
08/07	08/07/2007	135247	8015	NINA BURIA	101-20200	50.00
08/07	08/07/2007	135248	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	39,526.40
08/07	08/07/2007	135249	140055	NORTHERN VISUAL SERVICES	301-20200	27.50
08/07	08/07/2007	135250	140015	NORTHLAND AUTO SERVICES	101-20200	31.50
08/07	08/07/2007	135251	140008	NORTRAX EQUIPMENT/POWERPLAN	101-20200	94.83
08/07	08/07/2007	135252	40032	OFFICE OF ENTERPRISE TECHNOLOG	101-20200	408.39
08/07	08/07/2007	135253	160050	PORKY'S BUILDING SUPPLY INC	101-20200	143.78
08/07	08/07/2007	135254	160032	PORTABLE JOHN	101-20200	1,366.39
08/07	08/07/2007	135255	170007	QUILL CORPORATION	101-20200	215.89
08/07	08/07/2007	135256	180008	RADKO IRON & SUPPLY INC	101-20200	182.22
08/07	08/07/2007	135257	8056	RAIJA SARICH	101-20200	24.00
08/07	08/07/2007	135258	180045	RESERVE ACCOUNT	101-20200	500.00
08/07	08/07/2007	135259	180059	ROBERT MAKI	101-20200	720.00
08/07	08/07/2007	135260	180053	RUSSO CONSULTING	101-20200	260.00
08/07	08/07/2007	135261	8050	SARA WUDINICH	604-20200	284.12



Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
08/07	08/07/2007	135262	190045	SERVICE SOLUTIONS	604-20200	336.59
08/07	08/07/2007	135263	8017	SHANNON HAUTALA	101-20200	75.00
08/07	08/07/2007	135264	190014	SHERWIN WILLIAMS	101-20200	23.72
08/07	08/07/2007	135265	190004	SKUBIC BROS INC	603-20200	289.27
08/07	08/07/2007	135266	8044	ST LOUIS COUNTY	604-20200	300.00
08/07	08/07/2007	135267	2012	STEPHANIE FROSAKER	101-20200	100.00
08/07	08/07/2007	135268	8042	SUSAN FOUCAULT	101-20200	60.00
08/07	08/07/2007	135269	8055	SUSAN OBWAYA	604-20200	50.69
08/07	08/07/2007	135270	200003	TACONITE TIRE SERVICE	101-20200	613.41
08/07	08/07/2007	135271	200020	THE TRENTI LAW FIRM	101-20200	5,461.17
08/07	08/07/2007	135272	8048	THOR OR BOBBI RAE THOMPSON	604-20200	62.91
08/07	08/07/2007	135273	210010	ULLAND BROTHERS INC	103-20200	177,813.02
08/07	08/07/2007	135274	210020	USI INC	101-20200	160.79
08/07	08/07/2007	135275	220025	VERIZON WIRELESS	101-20200	23.83
08/07	08/07/2007	135276	220004	VIRGINIA DEPARTMENT OF PUBLIC	604-20200	36,673.30
08/07	08/07/2007	135277	220026	VIRGINIA HOME CENTER	101-20200	9.37
08/07	08/07/2007	135278	230004	WENCK ASSOCIATES INC	301-20200	709.20
08/07	08/07/2007	135279	230010	WILBUR & VIOLET BALL	101-20200	1,725.00
08/07	08/07/2007	135280	240001	XEROX CORPORATION	101-20200	386.80
08/07	08/07/2007	135281	260003	ZEE SERVICE COMPANY	101-20200	39.35

Totals:

Payroll-PP Ending 7/27/07  
 TOTAL EXPENDITURES

338,675.92  
97,895.05  
\$436,570.97



# 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 38-07

### FINAL APPROVAL OF UNITY SECOND ADDITION PLAT

WHEREAS, Unity Second Addition complies with City requirements for Subdivision of land as provided for in Chapter 153 of the Mountain Iron City Code; and,

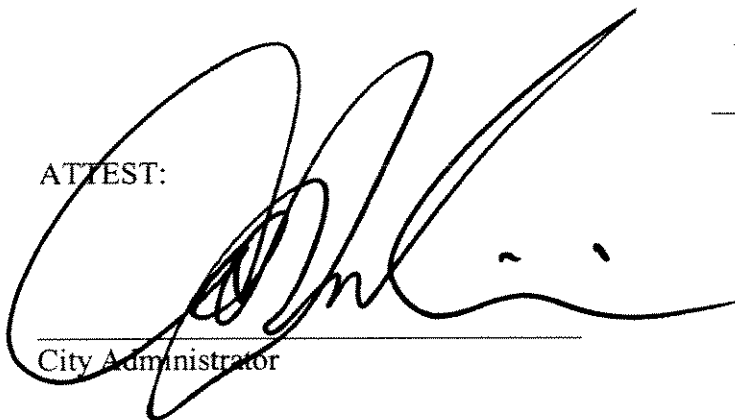
WHEREAS, the Mountain Iron Planning and Zoning Commission granted final approval of the Unity Second Addition Plat at their June 11, 2007, Regular Meeting.

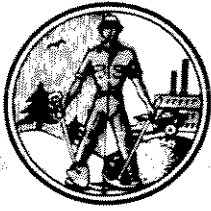
NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA that final approval of the Unity Second Addition Plat is hereby granted; and,

BE IT FURTHER RESOLVED that the Mayor and City Administrator are authorized to sign said plat on behalf of the City and that the Unity Second Addition Plat is to be filed with Saint Louis County as directed by State Law.

**DULY ADOPTED BY THE CITY COUNCIL THIS 6<sup>th</sup> DAY OF AUGUST, 2007.**

ATTEST:

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



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 39-07

### AUTHORIZING THE SALE OF CERTAIN PROPERTY

**WHEREAS**, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to convey real property.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the Mayor and City Administrator, upon receipt of payment, execute the deeds to convey real property in St. Louis County, Minnesota, described as follows:

#### UNITY SECOND ADDITION

Block 1, Lot 1  
Block 1, Lot 2  
Block 1, Lot 3  
Block 1, Lot 4  
Block 1, Lot 5  
Block 1, Lot 6  
Block 1, Lot 7  
Block 1, Lot 8  
Block 1, Lot 9  
Block 1, Lot 10  
Block 1, Lot 11  
Block 1, Lot 12  
Block 1, Lot 13  
Block 1, Lot 14  
Block 1, Lot 15

Block 2, Lot 1  
Block 2, Lot 2

Block 2, Lot 3  
Block 2, Lot 4  
Block 2, Lot 5  
Block 2, Lot 6  
Block 2, Lot 7  
Block 2, Lot 8  
Block 2, Lot 9  
Block 2, Lot 10  
Block 2, Lot 11  
Block 2, Lot 12  
Block 2, Lot 13  
Block 2, Lot 14  
Block 2, Lot 15  
Block 2, Lot 16  
Block 2, Lot 17  
Block 2, Lot 18  
Block 2, Lot 19  
Block 2, Lot 20

**DULY ADOPTED BY THE CITY COUNCIL THIS 6<sup>th</sup> DAY OF AUGUST, 2007.**

ATTEST:

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

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

**COUNCIL LETTER 082007-IVA1**

**MAYOR GARY SKALKO**

**MEETING WITH MIB OFFICIALS**

**DATE:** August 15, 2007

**FROM:** Mayor Skalko

Craig J. Wainio  
City Administrator

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Mayor Skalko placed this item on the agenda with the following background information:

Contact Superintendent Klarich about meeting with the School Board on certain 5<sup>th</sup> Monday's of the month, also City of Buhl/ Great Scott Township could be contacted to discuss City/School business. Would meet 2-3 times annually. First meeting would be Monday, October 29<sup>th</sup>, 2007.

**COUNCIL LETTER 082007-IVB1**

**ADMINISTRATION**

**CAMPGROUND LEASE**

**DATE:** August 15, 2007  
**FROM:** Craig J. Wainio  
City Administrator

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Enclosed, please find a copy of the proposed lease for the West Two Rivers campground. The term of the lease is 10 years at \$100.00 per year. As part of the lease agreement US Steel has raised the insurance requirements from \$3,000,000 to \$5,000,000. If the City Council approves the lease, it should also approve raising the insurance for the campground to \$5,000,000.

**SURFACE LEASE**

***THIS LEASE AGREEMENT*** (hereinafter "Lease" or "Lease Agreement") is made effective as of the 30th day of September, 2007, by and between:

United States Steel Corporation, a Delaware corporation, with an office and place of business located at USS Northern Lands & Minerals, Old Highway 169, Box 417, Mt. Iron, Minnesota 55768 (hereinafter "Lessor"),

and

City of Mountain Iron, with an office and place of business located at 8586 Enterprise Drive South, Mountain Iron, Minnesota 55768-8260 (hereinafter "Lessee").

***WITNESSETH:***

In consideration of the terms, conditions and obligations herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

**Section 1 – Leased Premises.**

(A) Lessor hereby demises and leases to Lessee for the respective purposes hereinafter provided, the surface only of the property located in St. Louis County, State of Minnesota and more specifically described as follows:

Those parts of the E½ of NW¼, SW¼ of NW¼, and NW¼ of SW¼, Section 29, Township 58 North, Range 18 West, described by metes and bounds calls and shown crosshatched on Exhibit "A" attached hereto and made a part hereof (hereinafter "Leased Premises" or "Premises").

(B) Lessor hereby grants unto Lessee an easement for ingress and egress between Leased Premises and the water level, as constituted from time to time, in the West Two River Reservoir, over and upon those parts of the E½ of NW¼ and the NW¼ of SW¼ of Section 29 lying between the Leased Premises and said West Two River Reservoir, (hereinafter "Easement Premises")

(C) Give and Grant unto the Lessee insofar as the Lessor has the property interest and power to do so, the right and privilege to use for the respective purposes hereinafter provided, the waters of West Two River Reservoir, (hereinafter "Licensed Premises");

The Leased Premises, Easement Premises, and Licensed Premises being hereinafter collectively referred to as the "Said Premises"

(D) This Lease is subject to any and all highway, railroad, and other public or private rights or easements, existing in or across the Leased Premises or any part thereof, and to the rights of any person or other party who may have an interest in the Leased Premises, including any minerals therein.

**Section 2 -- Term.**

This Lease Agreement shall begin at 12:01 a.m. on September 30, 2007, and shall terminate at 11:59 p.m. on September 29, 2017, subject to earlier termination as hereinafter provided.

**Section 3 -- Purpose.**

Lessee shall use the Said Premises only for the establishment and maintenance of a public tourist camping ground. The Licensed Premises are licensed to the Lessee for public recreational uses in connection with the use of the Leased Premises. Easement Premises for ingress and egress to and from the Leased Premises. Lessee shall not utilize the Leased Premises for any other reason whatsoever.

Lessor reserves the right to use the Said Premises, or any part thereof, for any purpose and in any manner that will not unreasonably interfere with the several uses thereof by the Lessee as hereby permitted.

It is understood that the West Two River Reservoir is an impounded body of water created under Minnesota Permit No. P.A. 63-846 issued by the Minnesota Department of Natural Resources to the Lessor for the purpose of storage and appropriation of waters in connection with the operation of the Lessor's taconite beneficiation plant in the vicinity.

Lessor reserves the right and privileges given to it by said Permit No. P.A. 63-846, and Lessor may exercise such rights and privileges, and perform such duties, as given or required by said Permit in such manner, in the Lessor's sole discretion, as if this lease, easement, and license had never been granted to the Lessee; provided, however, that whenever possible the Lessor shall give to the Lessee reasonable advance notice of any proposed substantial change in its actions or practices with regard to the Reservoir that might affect the uses of the Said Premises under this agreement. The Lessor shall not owe to the Lessee under this agreement any duty to maintain the West Two River Reservoir. In any negotiations or hearings for amendment or renewal of said Permit, if initiated by the Lessor or accepted by the Lessor, the Lessee agrees not to appear in opposition thereto by reason of the interests granted by this agreement.

Any roads, cartways or trails constructed by or for the Lessee upon Said Premises shall be deemed subject to the terms and provisions of this agreement, including the provisions for the termination of this agreement, and shall not during the term of this agreement, or any extension thereof, be deemed to be public roads, cartways or trails by reason of dedication by the Lessor, either as an actual dedication or as an implied

dedication arising out of the fact of expenditure of public funds for the construction and maintenance of such roads, cartways or trails.

**Section 4 -- Compliance with Laws.**

(A) Lessee shall maintain the Leased Premises in accordance with good land management practice and comply with all past, present, and future statutes, laws and regulations, including but not limited to zoning laws, environmental laws, permits, ordinances, rules, regulations and orders of all governmental, judicial, administrative or political persons or entities having jurisdiction thereof.

(B) Lessee shall obtain any permits as required, and shall promptly provide copies thereof to Lessor.

(C) Lessor has made no representation as to the physical condition of the Said Premises and does not warrant its fitness or suitability for the purposes to be made by the Lessee. As between the Lessor and the Lessee, it shall be the duty and obligation of the Lessee (a) to inform itself as to the physical condition of the Said Premises, (b) to post signs and otherwise to inform the public using the Said Premises of such warnings of dangers as the Lessee deems necessary to give, and (c) to police or to administer the uses of the Said Premises under this agreement.

(D) Lessee shall pay any and all fines or penalties imposed or allegedly imposed for failure to comply therewith and indemnify Lessor from any claims, demand, or actions by governments, their agencies, boards or commissions and private parties, arising as a result of Lessee's actions or inactions where there was a duty to act. The term "Lessor" shall include all subsidiaries, divisions, and affiliates of Lessor and their officers, directors, and employees.

**Section 5 -- Rental Payments.**

(A) Lessee shall pay Lessor an annual fee of One Hundred and No/100 Dollars (\$100.00) by check made payable to "United States Steel Corporation," which check shall be sent to and received by the Regional Manager North, USS Real Estate Co. Hwy 102, P.O. Box 417, Mt. Iron, Minnesota 55768 , commencing the first month after execution of this Lease Agreement. / on the anniversary date of the execution of this Lease Agreement.

(B) In addition to any monies and/or tax payments discussed herein, Lessee agrees to pay Lessor for all damages to the Premises or surrounding area or any facility located thereon including, but not limited to, the value of any timber and shrubbery destroyed, the cost of repairing roads, railroads, culvert, or any other facilities damaged or relocated due to the Lessee's use of the Premises. Additionally, Lessee shall keep the Premises neat and free from refuse at all times during the life of this Lease Agreement. Upon expiration or termination of this Lease Agreement, all personal property, of whatever nature, shall be removed from the Premises within ninety (90) days.



**Section 6 -- Taxes.**

Lessee shall reimburse Lessor, promptly after being billed by the Lessor, for all taxes and/or assessments, including all special assessments, levied against the Leased Premises or any part thereof which are due and payable in the year 2007, and in each year thereafter during the term of this Lease, pro-rated as to each governmental subdivision according to acreage, and all taxes and assessments payable during the same period upon any buildings, structures, or other property at any time placed or permitted thereon by Lessee. Lessee shall not be obligated to pay taxes on any mineral valuation.

**Section 7 -- Protection of Title.**

Lessee shall protect the Leased Premises and keep the title thereto free and clear from all mechanics', laborers', or other liens, clouds or encumbrances in any way arising from the use or occupancy of the Leased Premises as hereby leased, or from anything done or omitted to be done thereon by Lessee's officers, agents, servants, contractors, sublessees or Lessees.

**Section 8 -- Maintenance and Nuisance.**

Lessee shall at all times keep the Leased Premises and all improvements thereon or appurtenant thereto in good repair and in a safe, neat, and orderly condition and so maintain, use, and occupy the same as to protect life and property and so as not to create any public or private nuisance or damage or injury to any adjacent premises or to any persons or property thereon.

**Section 9 -- Indemnification.**

(A) In the exercise of its rights hereunder, *Lessee agrees to indemnify, defend and hold harmless Lessor, and their officers, directors, employees, agents, successors and assigns* from and against any and all claims, costs, demands, damages, liabilities, judgments, or expenses, including attorney fees, court costs, consultant fees and other legal costs, for any personal injury, death, or property damage or any other damages of whatever kind or nature whatsoever arising out of or resulting from, or in any way associated with the activities described herein of Licensee, its employees, agents, invitees, successors, and assigns or the activities of any other party or entity whatsoever, directly or indirectly, against Licensor.

(B) Lessee *further agrees to indemnify, defend and hold harmless Lessor, including its subsidiaries, facilities, employees, successors, and assigns* from and against any and all claims, suits, expenses and costs, including court costs, attorneys' fees and other legal costs, from any environmental liability or damages arising or resulting from or caused by the activities herein described.

(C) If Lessee bears witness to or receives information from any third party of personal injury, property damage, or environmental release occurring at or adjoining the Premises, Licensee shall provide Lessor with immediate notice of any such event.

(D) The obligations set forth in this Section shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

**Section 9 B -- Environmental Indemnification.**

(A) *Lessee agrees to indemnify, defend and hold harmless Lessor from and against* any and all claims, actions, losses, expenses, fines, fee, (including attorney fees, consultant fees and other legal costs), verdicts, judgments or any other damages or liabilities arising from any environmental condition of the Leased Premises arising out of Lessee's activities during the term Lessee is or was in possession of the Leased Premises. For purpose of this provision, "environmental condition" shall mean any discharge, release, contamination, leakage, existence, contamination, seepage, spillage, or emission (hereinafter collectively call "Discharge") of any hazardous substances upon, in or from the Premises, which occurs during the term of this Lease. As used herein "Hazardous Substances" shall mean any substance that is toxic, ignitable, reactive, corrosive, or otherwise endangers human health or the environment and that is or becomes regulated or identified as hazardous by any local government, the State of Minnesota or the United States government. "Hazardous Substances" also include, without limitation, any and all materials or substances that are defined as "hazardous waste," "hazardous substance," or a "regulated substance" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, as amended, or the Resource or local laws, Conservation and Recovery Act, as amended, or other similar federal, state regulations or ordinances. Applicable to the manufacture, storage, handling, transportation, remediation, treatment, removal, reporting, monitoring or disposal of any such hazardous substances, hazardous materials, or waste or any substances, materials or wastes generated, stored, or disposed of at or on the Premises. "Hazardous Substances" or a "regulated substance" also includes, but is not restricted to, asbestos, polychlorinated biphenyls (hereinafter "PCBs"), and petroleum and petroleum products.

(B) Notwithstanding anything to the contrary contained herein, Lessor acknowledges that Lessee has neither created nor contributed to the creation or existence of any type of hazardous or toxic material, chemical, compound or substance, or any other type of environmental hazard, contamination or pollution, whether latent or patent, or release thereof, or the violation of any law or regulation relating thereto, at the Premises prior to the occupancy of the Leased Premises by Lessee and it is understood that Lessee shall have no liability for any such condition. Additionally, if Lessee is held liable or is joined in any regulatory or third-party action as a result of any environmental condition which occurs or has occurred prior to Lessee's occupancy of the Leased Premises, *Lessor shall indemnify, defend, and hold harmless Lessee for any and all* loss, cost, or damage actually sustained and incurred by Lessee in connection therewith; provided, however, that the foregoing protections of Lessee from liability for preexisting conditions shall not apply to the extent Lessee's actions under this Lease result in an exacerbation of any such pre-existing conditions; and provided that Lessee shall have the burden of proof

to demonstrate that any environmental condition occurred prior to Lessee's occupancy of the Leased Premises.

(C) The obligations set forth in this Section shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

**Section 10 – Insurance.**

(A) Lessee further agrees that before it or any of its consultants/contractors visit the Premises, it will obtain and maintain in full force and effect and will cause its consultants/contractors to maintain in full force and effect, insurance coverage in accordance with the terms and provisions outlined in Attachment "I" attached hereto and incorporated herein.

(B) In addition, Lessor reserves the right to modify the insurance requirements throughout the term of the Lease, but not before the first five (5) year term period.

(C) The obligations set forth in this Section and in Attachment "I" shall continue after the termination of this Lease as to any matters that occurred during or resulted from the term of this Lease.

**Section 11 – Termination.**

Lessor may terminate this Lease at any time by giving Lessee prior written notice of at least sixty (60) days. Lessee may terminate this Lease at any time by giving prior written notice to Lessor of at least sixty\_ (60) days, and by executing and delivering to Lessor an instrument of surrender thereof and complying with all the requirements of this Lease to the time of such termination.

**Section 12 – Default.**

If either party (hereinafter in this section referred to as "First Party"), fails to perform its obligations under this Lease, the other party shall notify the First Party in writing of the respect in which First Party has failed to perform its obligations. First Party shall thereupon have thirty (30) days within which to cure the default; if the default may not be remedied within such 30-day period, the First Party shall have an additional period of time, not to exceed sixty (60) days to cure the default. In an emergency, First Party shall remedy the default as promptly as circumstance require. If the non-defaulting party discovers an emergency which requires action before the First Party could reasonably have been expected to act, the non-defaulting party may take remedial action, whose reasonable costs shall be borne by First Party. If either party, having given notice, fails to perform its obligations pursuant to the foregoing, the other party may perform said obligations at the expense of the First Party and may, upon written notice to the defaulting party, terminate this Lease Agreement.

**Section 13 -- Notices.**

All notice that may at any time be required to be given hereunder shall be deemed to have been properly given if personally hand delivered to the other party, or if sent by United States first class registered or certified mail, postage paid, or by facsimile transmission addressed, Lessor as follows:

If to Lessor:	Regional Manager North USS Real Estate Co. Hwy 102 P.O. Box 417 Mt. Iron, Minnesota 55768	Facsimile: (218) 749-7536
With a copy to:	United States Steel Corporation 600 Grant Street, Room 1500 Pittsburgh, Pennsylvania 15219-2800 Attention: General Attorney, Real Estate	Facsimile: (412) 433-2811
If to Lessee:	City of Mountain Iron 8586 Enterprise Drive South Mountain Iron, Minnesota 55768-8260	Facsimile: (218) 748-7573

or to such other name and address as furnished in writing by either party to the other. All notices shall be effective when received by the party to whom addressed.

**Section 14 -- Removal of Lessee's Structures and Equipment.**

On or before the termination of this Lease in any manner, Lessee shall, at its own cost and expense, remove from the Leased Premises all buildings and other structures and improvements and any and all other property belonging to Lessee, or its sublessors or licenses and quietly and peaceably surrender possession of the Leased Premises to Lessor in the same condition it was in at the commencement of the Lease, subject to reasonable wear and tear. If Lessee is in default hereunder, Lessor may remove any and all such property remaining thereon and dispose of such property as it may desire, without liability to Lessee, and restore the Leased Premises to the same condition it was in at the commencement of the Lease. Lessee shall promptly pay all cost and expense of any such removal and restoration.

**Section 15 -- Binding.**

This Lease and all the terms, conditions, and obligations hereof shall be binding upon and inure to the benefit of the respective successors and assigns of the parties hereto.

**Section 16 -- Assignment and Amendments.**

(A) Lessee shall not assign this Lease or sublease the Premises, or any part thereof, without the written consent of Lessor, which may be granted or denied in Lessor's sole discretion.

(B) This Lease may be amended, renewed, extended or canceled only by written instrument executed on behalf of each of the parties hereto, which may be granted or denied at Lessor's sole discretion.

**Section 17 -- Entire Agreement.**

This Lease sets forth all the covenants, promises, agreements, conditions, and understandings between Lessor and Lessee concerning the Premises, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as herein set forth.

**Section 18 -- Construction.**

This Lease shall be governed by the laws of the State of Minnesota, and all terms, conditions, and covenants herein shall be interpreted in accordance therewith.

**Section 19 -- Counterparts.**

This Lease may be signed in one or more counterparts, and by facsimile transmission, all of which shall be treated as one and the same original Lease. Each party shall provide an executed copy to the other.

*IN WITNESS WHEREOF*, the parties hereto have caused this Lease Agreement to be executed as of the date(s) indicated herein.

Lessor: United States Steel Corporation

By: Scott H. Coleman

Title: General Manager-Minnesota Ore Operations

Dated: August 13, 2007



Lessee: City of Mountain Iron

By: \_\_\_\_\_

Title: \_\_\_\_\_

Dated: \_\_\_\_\_

**ATTACHMENT "I"**  
**INSURANCE**

Lessee agrees that before it or any of its consultants/contractors visit the Premises, Lessee shall procure and maintain, and shall require any of its consultants/contractors to procure and maintain insurance policies in accordance with the terms and provisions outlined in Attachment "I" attached hereto and incorporated herein.

1. **Minimum Scope of Insurance** -- Coverage shall be at least as broad as the following:
  - A. **Commercial General Liability Insurance**: Shall be written on ISO occurrence form CG 00 01 (or a substitute form providing equivalent coverage ) and shall cover liability arising from premises, operations, independent contractors, products-completed operations, personal injury and liability assumed under an insured contract (including the tort liability of another assumed in a business contract). If a 1973 edition ISO form must be used by the insurer, the broad form comprehensive general liability (BFCGL) endorsement shall be included. Additionally, the policy shall not contain a sunset provision, commutation clause or any other provision which would prohibit the reporting of a claim and the subsequent defense and indemnity that would normally be provided by the policy. The policy of insurance shall contain or be endorsed to include the following:
    - (i) Premises/Operations;
    - (ii) Products/Completed Operations;
    - (iii) Contractual;
    - (iv) Independent Contractors;
    - (v) Broad form property damage;
    - (vi) Personal and Advertising Injury;
    - (vii) Separation of Insureds (severability of interest);
    - (viii) The policy shall be endorsed using ISO form CG 20 10 11 85 (or a substitute form providing equivalent coverage) so as to include United States Steel Corporation (hereinafter "USS"), and its affiliates, including all units, divisions and subsidiaries as Additional Insureds on a Primary and Non-contributory basis. The coverage shall contain no special limitations on the scope of protection afforded to said Additional Insured.
    - (ix) Waiver of subrogation shall be provided to the benefit of all Additional Insureds, as aforesaid.

- (x) No XCU (explosion, collapse, underground) exclusion.
- (xi) For any claims related herein, the Buyer's and/or its Contractor's insurance shall be primary and non-contributory respecting the aforesaid Additional Insureds. Any insurance or self-insurance maintained by USS shall be in excess of the Buyer's and/or Contractor's insurance and shall not contribute with it.
- (xii) The policy shall not contain any provision, definition, or endorsement which would serve to eliminate third-party action over claims.
- (xiii) Self-funded, or other non-risk transfer insurance mechanism are not acceptable to USS. If the Buyer has such a program, full disclosure must be made to USS prior to any consideration being given.

**B. Automobile Liability Insurance:** As specified by ISO form number CA 0001, Symbol I (any auto), with an MCS 90 endorsement and a CA 99 48 endorsement attached if hazardous materials or waste are to be transported. This policy shall be endorsed to include USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, and to include waiver of subrogation to the benefit of all Additional Insureds, as aforesaid.

**C. Workers' Compensation Insurance:** As required by the State or Commonwealth in which work is being done, and in accordance with any applicable Federal laws, including Employer's Liability Insurance and/or Stop Gap Liability coverage as per below limits. Where not otherwise prohibited by law, this policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries.

**D. Employer's Liability and/or Stop Gap Liability Coverage:** Coverages per accident, disease-policy limit, and disease each employee.

Check if applicable

**E. Errors and Omissions Professional Liability Insurance (If made applicable by USS):** Coverage should be for a professional error, act or omission arising out of the Contractor's performance of work hereunder. The policy form may not exclude coverage for Bodily Injury, Property Damage, claims arising out of laboratory analysis, pollution or the operations of a treatment facility, to the extent these items are applicable under the scope of work hereunder. This policy shall be endorsed to include waiver of subrogation to the benefit of USS its affiliates, including all units, divisions and subsidiaries. If coverage is on a claims-made form, Contractor shall maintain continuous coverage or exercise an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

Check if applicable

**F. Environmental Impairment Insurance (If made applicable by USS):** Covering damage to the environment, both sudden and non-sudden, caused by the emission, disposal, release, seepage, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquid or gases, waste materials or other irritants, contaminants or pollutants, into or upon land, the atmosphere or any water course or body of water; or the generation of odor, noises, vibrations, light, electricity, radiation, changes in temperature, or any other sensory phenomena. Such insurance shall contain or be endorsed to include:

- (i) Property damage, including loss of use, injury to or destruction of property;
- (ii) Cleanup costs which shall include operations designed to analyze, monitor, remove, remedy, neutralize, or clean up any released or escaped substance which has caused environmental impairment or could cause environmental impairment if not removed, neutralized or cleaned up.
- (iii) Personal injury, which shall include bodily injury, sickness, disease, mental anguish, shock or disability sustained by any person, including death resulting therefrom.
- (iv) USS its affiliates, including all units, divisions and subsidiaries as Additional Insureds, on a primary and non-contributory basis.
- (v) Waiver of Subrogation in favor of USS its affiliates, including all units, divisions and subsidiaries.

If the Environmental Impairment Insurance is on a claims-made form, Lessee and its Contractor(s) shall maintain continuous coverage or exercise on an extended discovery period for a period of no less than five (5) years from the time that the work hereunder has been completed.

2. **Minimum Limits of Insurance** -- Lessee and its Contractor(s) shall maintain limits *no less than*:

A. **Commercial General Liability**: Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$5,000,000 each occurrence for bodily injury and property damage; \$5,000,000 each occurrence and aggregate for products and completed operations; \$5,000,000 general aggregate. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.

B. **Automobile Liability Insurance**: Including Umbrella Liability Insurance, if necessary, limits shall be not less than \$2,000,000 per accident for bodily injury and property damage, \$5,000,000 if hazardous materials or substances are to be transported.

C. **Workers' Compensation**: As required by the State or Commonwealth in which the work will be performed, and as required by any applicable Federal laws.

D. **Employer's Liability and/or Stop Gap Liability Coverage**: \$1,000,000 per accident, \$1,000,000 disease-policy limit, and \$1,000,000 disease each employee. (May include Umbrella coverage.)

E. **Errors and Omissions Professional Liability Insurance**: (If applicable) \$2,000,000 per loss; \$4,000,000 annual aggregate limit.

F. **Environmental Impairment Insurance**: (If applicable) \$5,000,000 combined single limit per loss. The limits and coverage requirements may be revised at the option of USS, except as the Parties agree otherwise.



3. **Deductibles and Self-Insured Retentions** -- All insurance coverage carried by Lessee and its Contractor(s) shall extend to and protect USS its affiliates, including all units, divisions and subsidiaries to the full amount of such coverage, and all deductibles and/or self-insured retentions (if any), including those relating to defense costs, are the sole responsibility of Lessee and its Contractor(s).

4. **Rating of Insurer** -- The Lessee and its Contractor(s) will only use insurance companies acceptable to USS and authorized to do business in the state or area in which the work hereunder is to be performed. Insurers must have a minimum rating of a A-, Class VII as evaluated by the most current A.M. Best rating guide. If the insurer has a rating less than an A-, Class VII, the Contractor must receive specific written approval from USS prior to proceeding.

5. **Other Insurance Provisions**

A. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after sixty (60) days prior written notice by certified mail, return receipt requested, has been given to USS.

B. These insurance provisions are intended to be a separate and distinct obligation on the part of the Lessee. Therefore, these provisions shall be enforceable and Lessee and/or Contractor(s) shall be bound thereby regardless of whether or not indemnity provisions are determined to be enforceable in the jurisdiction in which the work covered hereunder is performed.

C. The above-described insurance coverage to be provided by Lessee and/or its Contractor(s) hereunder will extend coverage to all work or services performed hereunder.

D. The obligation of the Lessee and its Contractor(s) to provide the insurance herein above specified shall not limit in any way the liability or obligations assumed by the Lessee and its Contractor(s) hereunder.

E. In the event Lessee and its Contractor(s), or its insurance carrier defaults on any obligations hereunder, Lessee and its Contractor(s) agree that they will be liable for all reasonable expenses and attorneys' fees incurred by USS to enforce the provisions hereunder.

6. **Evidence of Coverage**

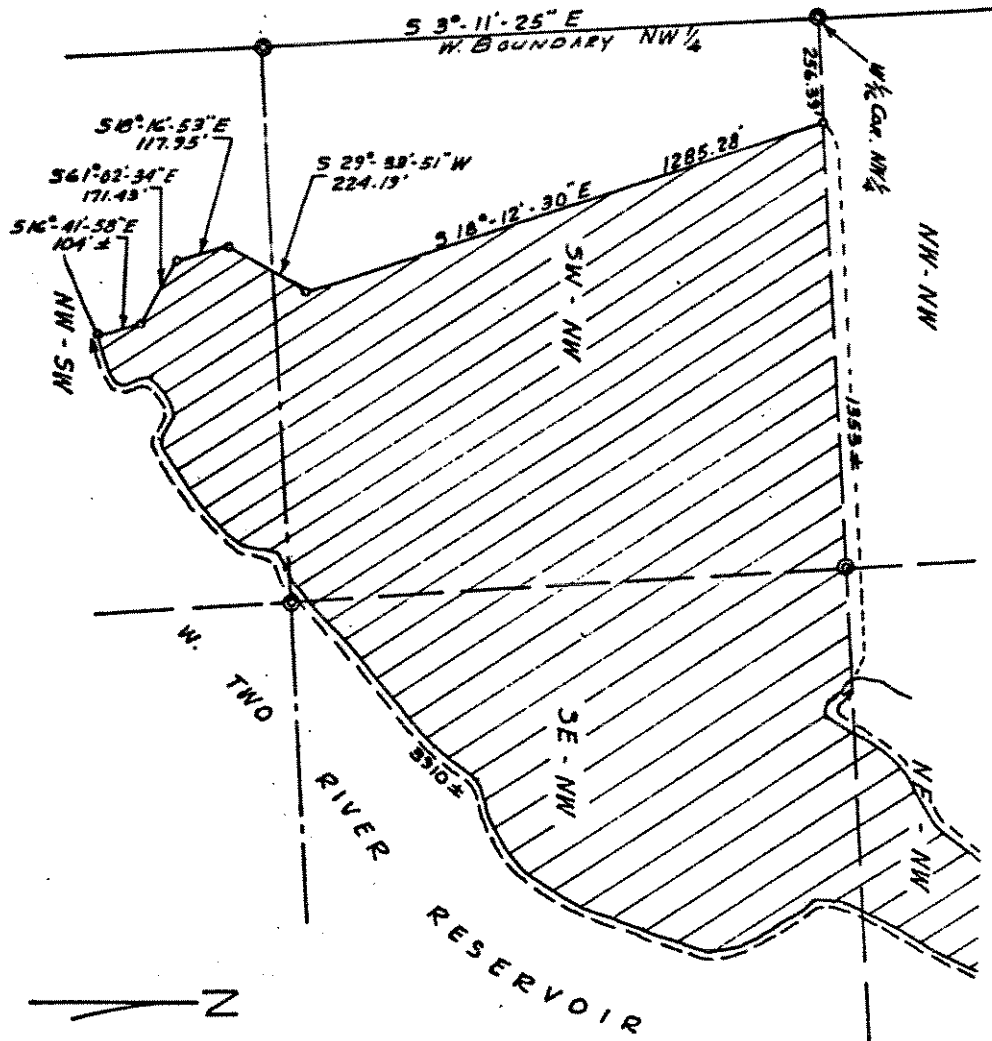
A. Lessee and its Contractor(s) shall furnish USS with copies of the endorsements effecting the coverage required by this specification. Additionally, **prior to the commencement of any work or services on USS' Premises**, Lessee and its Contractor(s) and all subcontractors, if any, shall furnish to USS satisfactory Certificates of Insurance evidencing full compliance with the requirements herein. The Certificates of Insurance must show that the required insurance is in force, the amount of the carrier's liability thereunder, and must further provide that USS will be given sixty (60) days advance written notice of any cancellation of coverage or deletion of the certificate holder herein as an Additional Insured under the policies.

B. All Certificates of Insurance shall be in form and content acceptable to USS and shall be submitted to USS in a timely manner so as to confirm Lessee and its Contractor(s) full compliance with the stated insurance requirements hereunder.

C. Any failure on the part of USS to pursue or obtain the Certificates of Insurance required hereunder from Lessee and its Contractor(s) and/or the failure of USS to point out any non-compliance of such Certificates of Insurance shall not constitute a waiver of any of the insurance requirements hereunder, nor relieve Lessee or its Contractor(s) of any of its obligations or liabilities hereunder. Moreover, acceptance by USS of insurance submitted by the Lessee and its Contractors does not relieve or decrease in any manner the liability of the Lessee and its Contractor(s) for performance hereunder. The Lessee and its Contractor(s) are responsible for any losses, claims, and/or costs of any kind which their insurance does not cover.

7. Subcontractors -- Contractor(s) shall be responsible to obtain separate certificates from each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated herein.

# Exhibit A



PARCEL DESCRIBED

SCALE: 1" = 300'

### DESCRIPTION FOR RECREATION AREA WEST TWO RIVER RESERVOIR

A parcel of land that lies in parts of the SW-1/4 of the NW-1/4, SE-1/4 of the NW-1/4, NE-1/4 of the NW-1/4 and the NW-1/4 of the SW-1/4, all in Section 29, T58N, R18W of the Fourth Principal Meridian according to the United States Government Survey, thereof, and being in the County of St. Louis and the State of Minnesota, and more particularly described as follows:

Assuming the West boundary line of said NW-1/4 of Section 29 to have a bearing of S 3°-11'-25" E and starting at a point on the North boundary line of the SW-1/4 of said NW-1/4 of Section 29, 256.39 feet easterly of the West 1/16 corner of said NW-1/4 of Section 29; thence S 18°-12'-30" E for a distance of 1,285.20 feet to a point; thence S 29°-33'-51" W for a distance of 224.19 feet to a point; thence S 18°-16'-53" E for a distance of 117.95 feet to a point; thence S 61°-02'-34" E for a distance of 171.43 feet to a point; thence S 16°-41'-58" E for a distance of 104 feet, more or less to a point on the shoreline of the West Two River Reservoir; thence going successively Northeasterly, Northerly, Westerly, Southwesterly and Northwesterly for a distance of 3910 feet more or less along said shoreline that meanders successively into said NW-1/4 of the SW-1/4, SW-1/4 of the NW-1/4, SE-1/4 of the NW-1/4, NE-1/4 of the NW-1/4 and back through said SE-1/4 of the NW-1/4 to a point on the Northerly boundary line of said SE-1/4 of the NW-1/4; thence Westerly along said Northerly boundary line and the Northerly boundary line of said SW-1/4 of the NW-1/4 for a distance of 1353 feet, more or less to the point of beginning; containing 53.2 acres, more or less EXCLUDING ANY PART OF THE AFORESAID DESCRIPTION ALONG SAID SHORELINE THAT IS BELOW 1405' MEAN SEA LEVEL ELEVATION.

*Robert R. Wallace*  
Robert R. Wallace Reg. No. 5070

January 19, 1982

**COUNCIL LETTER 082007-IVB2**

**ADMINISTRATION**

**PROBATIONARY STATUS**

**DATE:** August 15, 2007  
**FROM:** Craig J. Wainio  
City Administrator

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The 6 month probationary period for Brent Henkel expires on August 24<sup>th</sup>. Staff has reviewed Mr. Henkel's performance and is recommending that Mr. Henkel remain with the City beyond his probationary period.

**COUNCIL LETTER 082007-IVC1**

**ELECTRIC DEPARTMENT**

**BIDS ON AERIAL LIFT BODY & TRUCK CHASSIS**

**DATE:** August 15, 2007  
**FROM:** Don Kleinschmidt  
Director of Public Works  
  
Craig J. Wainio  
City Administrator

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Staff has received the following bids on the aerial lift body and truck for use in the Utilities Electric Department.

Aerial Lift Body

(1) Altec Industries	Base Bid	\$70,435.00
	Fiberglass Body Add	\$ 1,678.00
(2) ABM		\$ 74,222.00

Truck Chassis for Aerial Body

Skubic Bros.	Base Bid	\$53,668.00
	4-wheel drive option	<u>\$18,159.00</u>
	TOTAL	\$71,827.00

Staff is recommending the bid award to Altec Industries for the Aerial Lift Body in the amount of \$70,435.00 plus the fiberglass body option of \$1,678.00 for a total of \$72,113.00.

Staff is recommending the truck chassis to Skubic Bros for the State Bid of \$53,668.00 plus the 4 wheel drive option of \$18,159.00 for a total bid price of \$71,827.00.

This purchase will be funded from the Electric Fund Capital Outlay Budget.

**COUNCIL LETTER 082007-IVD1**

**LIBRARY**

**OLD CARPETING**

**DATE:** August 15, 2007

**FROM:** Sally Peterangelo  
Director of Library

Craig J. Wainio  
City Administrator

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In accordance with the City's Surplus Equipment Policy the Library Director is seeking Council permission to dispose of the old Library carpeting in the manner outlined in the surplus equipment policy.



# Saint Louis County

Office of the Sheriff - 100 North 5th Avenue West, Room 103 • Duluth, Minnesota 55802  
Phone: (218) 726-2337 - Fax: (218) 726-2171

**Ross Litman**  
Sheriff

**TO:** Mountain Iron Mayor and City Council  
**FROM:** Sgt. Rick Feiro/5171  
**RE:** June 2007 Statistics/Activity of Mountain Iron sheriff's Office  
**DATE:** August 14, 2007

The St. Louis County Sheriff's Office in Mt. Iron responded to the following calls for service during the month of July.

Deputies also performed 97 traffic stops, issuing 30 citations for traffic and criminal offenses and 81 traffic warnings.

#### CALLS FOR SERVICE:

- 3-Fire Calls
- 3-Drug Related Calls
- 24-On Views (Officer initiated contacts, checking on persons, vehicles, properties)
- 6-Public Assists (Hotrodders, Loud Music, Car Unlocks)
- 17-Custodial Arrests
- 16-Disturbances (Verbal Arguments/Domestics/Threats)
- 18-Suspicious Persons/Vehicles/Unwanted Persons/Warrant Attempts
- 5-Theft
- 9-Assists to Sheriff's Office (Vir/Hib/Buhl)-(5 of these were in Mt. Iron's Area)
- 22-Assists to VIPD/EVPD(5 of these were in MT. Iron's area)
- 10-Welfare Checks upon Persons or Suicide Threats
- 9-Medical Assists
- 17-Motor Vehicle Crashes
- 5-Alarm Calls
- 1-Assault
- 7-Damage to Property
- 1-Burglary
- 5-Animal Complaints
- 3-Search Warrants
- 36-Other Misc Calls(ie: Harassment, Civil Disputes, ATLS, Assist State Patrol)
- 0-Runaway Reports

Reply to:

30

**Administrative Offices**

100 N 5th Ave. W, Rm 103  
P.O. Box 16187 Duluth, MN 55816  
Phone: (218) 726-2341  
Fax: (218) 726-2171

**County Jail**

4334 Haines Road  
Duluth, MN 55811  
Phone: (218) 726-2345  
Fax: (218) 725-6134

**Emergency Management**

5735 Old Miller Trunk Hwy  
Duluth, MN 55811  
Phone: (218)  
Fax: (218)

**Sheriff's Office**

300 South 5th Avenue  
Virginia, MN 55792  
Phone: (218) 749-7134  
Fax: (218) 749-7192

**Sheriff's Office**

1810 12th Ave. E  
Hibbing, MN 55746  
Phone: (218) 262-0132  
Fax: (218) 262-6334

**COUNCIL LETTER 082007-IVG1**  
**COUNCILOR ED ROSKOSKI**  
**LEAGUE OF MN CITIES ARTICLE**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

June/July 2007 Issue, Page 19. Our City Attorney should review the article and clarify the various state statutes referred to in the article in regards to our cities rules, regulations, and ordinances. Situations mentioned in the article have surfaced in the past in our community. The Attorney can give his report at the 9-17-07 Council meeting.



# Confidential Real Property Complaints

By Rachel Carlson

Resident complaints regarding a neighbor's home and/or property are difficult issues for city staff to resolve. In handling these often sensitive issues, city staff should bear in mind there are specific requirements under the Minnesota Government Data Practices Act (MGDPA) for real property complaint data.

Pursuant to Minn. Stat. §13.44, the identities of individuals who register complaints with political subdivisions about violations of state law or local ordinance concerning the use of real property are classified as confidential data. Confidential data is non-public data that is inaccessible to even the individual subject of the data (the owner of the property to which the complaint relates). The purpose of Minn. Stat. §13.44 is to encourage complainants to bring violations of the law to the attention of the city without fear of potential retaliation.

The MGDPA protects only the identity of the complainant. As a result, the existence of the complaint, the specifics of the complaint (date, time, place, etc.), and the nature of the complaint would still likely be public data—unless classified as private or confidential under a different section of the MGDPA.

Sometimes, however, confidential and public data are so inter-mixed that appropriate separation of data is impossible. For example, the specifics of the complaint could state: "I observed the violation of the law occurring from my back deck, which is five feet away from my neighbor's property." In this instance, even with redaction of the complainant's name, the specifics of the complaint inevitably reveal the complainant's identity. The public data is considered to be inextricably intertwined with the confidential data and therefore is classified as confidential as well.

The identity of the complainant is private only when the complaint relates

to a violation of state law or ordinance concerning the use of the real property. Not all real property complaints received by the city relate to violations of law or ordinance. Complaints concerning violations of homeowners' association bylaws or private subdivision covenants are private contractual matters and would not be protected by the MGDPA.

Some examples of violations of state law relating to real property are the use of the property for the sale of illicit drugs, running a house of prostitution, conducting dog fights, or dumping in violation of MPCA standards. Some examples of violations of local ordinance are complaints related to nuisances, building code violations, and zoning. Some cities also impose rental licensing and property maintenance standards via local ordinance. Finally, Minnesota Department of Administration advisory opinions have advised that noise and odor complaints should also be considered complaints related to the use of real property.

Complaint data concerning real property may come to the city in multiple ways. A complaint may be logged through a formal complaint process at the front desk, conveyed to a building inspector during an inspection, or filed as a police report.

Regardless of the manner in which the city obtains the data, the city must ensure it adequately protects the confidential data it receives. Pursuant to Minnesota Rules 1205.0600, subpart 2, confidential data can be accessed only by individuals within the city whose work assignments reasonably require access. The city is required to establish written procedures, overseen by the city's responsible authority, to ensure confidential data is accessed only by the correct individuals. Once the city receives confidential information, the responsible authority should determine to whom (the police, building inspec-

tions, etc.) the information is most appropriately referred for action, if action is required.

Occasionally, as in the instance of a real property complaint in a police report, the data has two or more (sometimes conflicting) MGDPA data classifications. The data in a police report can be both real property complaint data pursuant to Minn. Stat. §13.44, and request for police service data pursuant to Minn. Stat. §13.82 subd. 3.

Under Minn. Stat. §13.82 subd. 3, the identity of the complainant requesting police services would normally be public data. However, the commissioner of Administration has issued an advisory opinion stating that the identity of a real property complainant in a police report is still confidential data because Minn. Stat. §13.44 is more specifically drawn than Minn. Stat. §13.82 subd. 3. In instances where data has conflicting classifications, it is essential that the city's responsible authority consult the city attorney for a determination of whether the data can be released.

Failure to protect confidential data may expose the city to liability. A city that violates any provision of the MGDPA is liable for any damages that are a result of the violation, plus costs and attorneys fees. If the city is found to have willfully released confidential information, it may be subject to additional penalties up to \$10,000 for each violation. Finally, any person who willfully violates the MGDPA may be found guilty of a misdemeanor and subject to additional penalties. ■

Rachel Carlson is research attorney with the League of Minnesota Cities. Phone: (651) 281-1226. E-mail: rcarlson@lmc.org.

**Recommendations from the Safety and Health Committee for Council approval**

1. Council approval to send the Fire Chief or designee to attend the Fire Chief's Conference in Austin. (Approx. cost \$1100).
2. Change two items in the Fire Fighter position analysis.
  - a. Volunteer to Paid On Call.
  - b. Add First Aid trained (include copy of Fire Fighter Position Analysis).
3. Approval to allow the Fire Department to advertise and hire two additional Fire Fighters.
4. Council approval to purchase four additional "automatic" defibrulators to be placed in the Library, Senior Center, Nichols Hall and City Garage. Delay payment for 2008 budget.
5. Approve two changes to the First Responder's, Articles of Organization.
  - #11. Carry a maximum of fifteen personnel.
  - #15. Replace current language with discipline will be handled according to current City Policy.
6. Recommend an extension to November 1<sup>st</sup> for Determan to abide by the current Agreement and City Ordinance #96.21 (attach copy of Ordinance #96.21).

# CITY OF MOUNTAIN IRON POSITION ANALYSIS

**POSITION TITLE:** Volunteer Firefighter

**SUPERVISOR:** Fire Chief

## **PRIMARY OBJECTIVE OF POSITION:**

The primary objective of this position is to protect life and property by performing fire fighting, emergency aid, hazardous materials, and fire prevention duties.

## **RESPONSIBILITIES:**

- ◆ Perform firefighting activities including driving fire apparatus, operating pumps and related equipment, laying hose, and performing fire combat, containment and extinguishment tasks.
- ◆ Performs emergency aid activities including administering first aid and providing other assistance as required.
- ◆ Participates in fire drills and classes in firefighting, hazardous materials, and related subjects.
- ◆ Maintains fire equipment, apparatus and facilities and performs minor repairs to equipment.
- ◆ Assists in developing plans for special assignments such as emergency preparedness, hazardous communications, training programs, firefighting and hazardous materials.
- ◆ Presents programs to the community on safety and fire prevention topics.
- ◆ Performs salvage operations such as throwing salvage covers, sweeping water and removing debris.
- ◆ Performs other duties as apparent or as delegated.

## **KNOWLEDGE, SKILLS AND ABILITIES:**

- ◆ Working knowledge of driver safety; working knowledge of first aid.
- ◆ Ability to learn to apply standard firefighting, emergency aid, hazardous materials, and fire prevention techniques.
- ◆ Ability to perform strenuous physical activity.
- ◆ Ability to follow verbal and written instructions.
- ◆ Ability to communicate effectively orally and in writing.

## **EDUCATION AND EXPERIENCE:**

- ◆ High school diploma or GED equivalent.
- ◆ A valid State driver's license.

## Mountain Iron – General Regulations

(D) These provisions are in addition to any provisions provided for in Section 154 of the Mountain Iron City Code.

Penalty, see § 96.99

### § 96.21 BUILDING MAINTENANCE AND APPEARANCE.

(A) *Declaration of nuisance.* Buildings, fences and other structures that have been so poorly maintained that their physical condition and appearance detract from the surrounding neighborhood are declared to be public nuisances because they (a) are unsightly, (b) decrease adjoining landowners and occupants' enjoyment of their property and neighborhood, and (c) adversely affect property values and neighborhood patterns.

(B) *Standards.* A building, fence or other structure is a public nuisance if it does not comply with the following requirements:

(1) No part of any exterior surface may have deterioration, holes, breaks, gaps, loose or rotting boards or timbers.

(2) Every exterior surface that has had a surface finish such as paint applied must be maintained to avoid noticeable deterioration of the finish. No wall or other exterior surface may have peeling, cracked, chipped or otherwise deteriorated surface finish on more than 20% of:

(a) Any one wall or other flat surface; or

(b) All door and window moldings, eaves, gutters, and similar projections on any one side or surface.

(3) No glass, including windows and exterior light fixtures, may be broken or cracked, and no screens may be torn or separated from moldings.

(4) Exterior doors and shutters must be hung properly and have an operable mechanism to keep them securely shut or in place.

(5) Cornices, moldings, lintels, sills, bay or dormer windows and similar projections must be kept in good repair and free from cracks and defects that make them hazardous or unsightly.

(6) Roof surfaces must be tight and have no defects that admit water. All roof drainage systems must be secured and hung properly.

(7) Chimneys, antennae, air vents, and other similar projections must be structurally sound and in good repair. These projections must be secured properly, where applicable, to an exterior wall or exterior roof.

## Mountain Iron – General Regulations

(8) Foundations must be structurally sound and in good repair.  
Penalty, see § 96.99

### § 96.22 DUTIES OF CITY OFFICERS.

The Police Department or Sheriff, if the city has at the time no Police Department, shall enforce the provisions relating to nuisances. Any peace officer shall have the power to inspect private premises and take all reasonable precautions to prevent the commission and maintenance of public nuisances. Except in emergency situations of imminent danger to human life and safety, no police officer shall enter private property for the purpose of inspecting or preventing public nuisances without the permission of the owner, resident or other person in control of the property, unless the officer has obtained a warrant or order from a court of competent jurisdiction authorizing the entry.

### § 96.23 ABATEMENT.

(A) *Notice.* Written notice of violation; notice of the time, date, place and subject of any hearing before the City Council; notice of City Council order; and notice of motion for summary enforcement hearing shall be given as set forth in this section.

(1) *Notice of violation.* Written notice of violation shall be served by a peace officer on the owner of record or occupant of the premises either in person or by certified or registered mail. If the premises is not occupied, the owner of record is unknown, or the owner of record or occupant refuses to accept notice of violation, notice of violation shall be served by posting it on the premises.

(2) *Notice of City Council hearing.* Written notice of any City Council hearing to determine or abate a nuisance shall be served on the owner of record and occupant of the premises either in person or by certified or registered mail. If the premises is not occupied, the owner of record is unknown, or the owner of record or occupant refuses to accept notice of the City Council hearing, notice of City Council hearing shall be served by posting it on the premises.

(3) *Notice of City Council order.* Except for those cases determined by the city to require summary enforcement, written notice of any City Council order shall be made as provided in M.S. § 463.17 (Hazardous and Substandard Building Act), as it may be amended from time to time.

(4) *Notice of motion for summary enforcement.* Written notice of any motion for summary enforcement shall be made as provided for in M.S. § 463.17 (Hazardous and Substandard Building Act), as it may be amended from time to time.

(B) *Procedure.* Whenever a peace officer determines that a public nuisance is being maintained or exists on the premises in the city, the officer shall notify in writing the owner of record or occupant of the premises of such fact and order that the nuisance be terminated or abated. The notice of violation shall specify the steps to be taken to abate the nuisance and the

MINUTES  
PLANNING & ZONING COMMISSION  
MOUNTAIN IRON, MINNESOTA  
AUGUST 13, 2007

I. ROLL CALL

The regular meeting of the Mountain Iron Planning and Zoning Commission was called to order at 7:00 p.m. by Vice-Chairman Steve Skogman. Present were: Ray Saari, Steve Skogman, Jim Giorgi, Vicky Juntunen, Barb Fivecoate, and Margaret Soyring. Absent was: Steve Giorgi. Also in attendance were: Council Liaison Tony (TJ) Zupancich and Zoning Administrator Jerry D. Kujala.

II. CONSENT AGENDA

Barb Fivecoate discussed amending the minutes from the June 11, 2007 meeting to include those absent which were Barb Fivecoate, Ray Saari and Steve Giorgi. A motion was made by Saari with support from J. Giorgi to accept the amended minutes of June 11, 2007 and it passed unanimously.

III. REPORTS

A) Zoning Administrator

Kujala gave a report on the permits for the signs in the City that he had sent letters out on. First National Bank of Buhl has their sign in order at the Parkville location. Kujala is still checking on the Ziebart sign and has to further check with Jill Forseen.

Skogman asked if Kujala had checked on the signs in Mountain Iron that have been up and down with someone looking for work. There are posts in the boulevard on Mountain Avenue with the sign attached. Kujala will check it out.

A general discussion was held on the blight issue in the city and decided that the new Commission, Mountain Iron Public Safety and Health Board, would be the one in charge of any blight issues.

IV. UNFINISHED BUSINESS

Discussion was held on the Digital LED billboard signs that are appearing. A decision was made for Kujala to investigate them and come back with a recommendation for qualifications for them in our city.

V. NEW BUSINESS

A) Tami and Dale Peterson - Conditional Use Permit

The Peterson's addressed the Commission about the Conditional Use Permit that neighbor Tim Anderson has for a "part-time business" and all the vehicles, dirt bikes, and disruption to the neighbors and noise generated from the business. Another concern was the hours of the business and number of people working there. Tami referred to the log she keeps of how many and kind of cars that come and go from there daily and is disturbed by the late hours of operation. After much discussion a motion was made by J. Giorgi with support from Juntunen to recommend to the City Council to seek legal advice on the business to see if Tim Anderson is violating his Conditional Use Permit and it passed unanimously. The City Council has the final authority as to what is permitted, as we are only an advisory board to the City Council. The City will have to go through the legal avenues to check into the problem and get an answer.

At 7:40 p.m., Steve Giorgi enters the meeting and the Chair is passed to him from Skogman.

VI. OPEN DISCUSSION

Zupancich informed the P & Z Commission that the EDA is in the process of working with a developer for another housing development within the City. The EDA is working to form a development agreement. Fivecoate, also, explained that the Parkview Development would be seeing some movement within the near future. The land has been purchased and transferred and the access road from Parkville to the new development is completed by the City and now the rest is to be completed by the developer. Zupancich explained that the developer is in the process of getting all the businesses "signed-on" and in order before proceeding.

Saari said he'd like to see a road and possibly a cul-de-sac for the 4-5 lots between Fairview and Arbor Lane in South Grove developed. The lots are privately owned, but no movement has been made to develop them.

VII. ADJOURN

At 8:05 p.m., a motion was made by J.Giorgi with support from Fivecoate to adjourn the meeting and passed unanimously.

Submitted by:

Barb Fivecoate  
Secretary

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

six  
three people to assist  
Vidmar Iron Works was willing to rent a car for  
the move and only charge for the actual time the car was used.  
The only difference would be that the train would be facing north  
instead of south at the new location as the Council had earlier  
desired.

The Council directed the Acting Administrator to contact the insurance company regarding the city's insurance for moving of the locomotive.

It was moved by Cerkvénik and supported by Roskoski to approve the Conditional Use Permit for Tim Anderson for property he intends to purchase from Warren and Eunice Nordeen legally described as easterly one half of the southeast quarter of the northwest quarter of the northwest one half of Section 13, Township 58, Range 18 for construction of a 40' x 45' metal storage building and to allow a part-time automotive business that is conducted entirely by family members with the following conditions:

1. That no outside employees be allowed to work in the automotive shop.
2. That the Conditional Use permit regarding the Automotive Shop terminates with the sale or lease of the property.

The motion carried on a roll call vote.

Zoning Administrator Kujala advised the Council that a public hearing for a variance for the Sawmill Company had been scheduled for November 13, 1989, at 7:05 P.M. and a public hearing for a Conditional Use Permit for Albert Kosola for a junk yard was scheduled for November 13, 1989, at 7:15 P.M.

At 7:50 P.M., it was moved by Dale and supported by Cerkvénik to adjourn the meeting. The motion carried.

Respectfully submitted:

*Jill M. Forseen*

Jill M. Forseen  
Deputy Clerk

OFFICE OF COUNTY RECORDER  
STATE OF MINNESOTA } ss.  
County of St. Louis }  
I hereby certify that the within instrument was filed in this office for record as Document No. **0486880**  
NOV 09 1989 at 2P M  
MARK A. MONACELLI  
County Recorder  
By *Doris Mathson*

CU  
Bill

cc Meeting - 10/16/89



**COUNCIL LETTER 082007-VA**

**COUNCILOR ED ROSKOSKI**

**DOWNTOWN PAVILION**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

Items requested through previous Council action should be ready for Council review and possible additional Council action.

Staff Note: Due to time constraints, the general nature of the request and more pressing issues Staff has not be able to develop a plan for the pavilion replacement at the Downtown Park. Staff anticipates that everything will be ready for the first meeting in September.

**COUNCIL LETTER 082007-VB**

**COUNCILOR ED ROSKOSKI**

**DOWNTOWN PORCH TYPE SWINGS**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

Items requested through previous Council action should be ready for Council review and possible additional Council action.

Staff Note: Staff has been unable to locate the requested swings and is exploring options for replacement. Staff anticipates that everything will be ready for the first meeting in September.

**COUNCIL LETTER 082007-VIA**

**ADMINISTRATION**

**RESOLUTION NUMBER 41-07**

**DATE:** August 15, 2007  
**FROM:** Craig J. Wainio  
City Administrator

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Resolution Number 41-07 authorizes the sale of General Obligation Improvement Bonds to finance Unity Second Addition and various other street projects. The bond issue is for \$1,455,000 and will be for a 20 year term. Currently we are anticipating receiving an excellent rate in the 4.5% to 5% range.

It is recommended that the City Council adopt Resolution Number 41-07 Authorizing the of \$1,455,000 General Obligation Improvement Bonds.

Member: \_\_\_\_\_ introduced the following resolution and moved for its adoption:

**RESOLUTION NUMBER 41-07**

**RESOLUTION PROVIDING FOR THE ISSUANCE, SALE AND DELIVERY OF \$1,455,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2007A, TO PAY A PORTION OF THE COSTS OF LOCAL PUBLIC IMPROVEMENTS; ESTABLISHING THE TERMS AND CONDITIONS THEREFOR; CREATING A CONSTRUCTION ACCOUNT AND A DEBT SERVICE ACCOUNT THEREFOR; AND AWARDING THE SALE THEREOF**

BE IT RESOLVED, by the City Council of the City of Mountain Iron, St. Louis County, Minnesota (the "Issuer"), as follows:

Section 1. Bond Purpose, Authorization, and Award.

1.01 Authority and Purpose.

A. Pursuant to authority contained in Minnesota Statutes, Chapters 429 and 475, the City Council does direct the issuance and sale of \$1,455,000 General Obligation Improvement Bonds, Series 2007A of the Issuer dated September 1, 2007 (the "Bonds"), for the purpose of financing a portion of the costs of local public improvements which are to be paid for in part by special assessments levied or to be levied upon benefited property (the "Project"), for payment of part of the interest cost of the Bonds herein and for payment of part of the issuance costs of the Bonds. The principal of and interest on the Bonds shall be paid primarily from special assessments levied upon benefited property and ad valorem taxes. The Project is ordered as required by Minnesota Statutes, Section 429.091, Subdivision 1.

B. The Bonds shall provide funds to finance the Project. The total cost of the Project, which shall include all costs enumerated in Minnesota Statutes, Section 475.65, is estimated to be at least equal to the amount of the Bonds. Work on the Project shall proceed with due diligence to completion. The Issuer covenants that it shall do all things and perform all acts required of it to assure that work on the Project proceeds with due diligence to completion and that any and all permits and studies required under law for the Project are obtained.

1.02 Independent Financial Advisor. The Issuer has retained the services of \_\_\_\_\_ as its independent financial advisor.

1.03 Award of Sale. Pursuant to Section 475.60, Subdivision 2(9) of the Act, which waives the requirement for a public sale of bonds when an issuer has retained an independent financial advisor, the Issuer has received an offer from Northland Securities, Inc. of Minneapolis, Minnesota (the "Purchaser"), to purchase the Bonds at a cash price of \$ \_\_\_\_\_, plus accrued interest on the total principal amount from September 1, 2007, to the date of delivery upon the terms and conditions hereafter specified in this Resolution. The City Council, after due

consideration, finds such offer reasonable and proper and the offer of the Purchaser is accepted. The Mayor and the Administrator are authorized and directed to execute on the part of the Issuer a contract for the sale of the Bonds in accordance with the Purchaser's proposal, and to acknowledge receipt of the check given for the security of the proposal, if any.

Section 2. Terms of the Bonds.

2.01 Date and Maturities. A. The Bonds to be issued hereunder shall be issued as fully-registered bonds designated \$1,455,000 General Obligation Improvement Bonds, Series 2007A, dated September 1, 2007, as of the date of original issue, issued in the denomination of \$5,000, or any integral multiple thereof, in fully registered form and lettered and numbered R-1 and upward.

B. The Bonds shall mature on February 1 in the years and amounts stated below and shall bear interest from the most recent Interest Payment Date (as hereinafter defined) to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue until paid at the rates per annum set forth below opposite such years and amounts:

<b>Year</b>	<b>Amount</b>	<b>Interest Rate</b>
2009	\$65,000	%
2010	\$95,000	
2011	\$95,000	
2012	\$95,000	
2013	\$105,000	
2014	\$105,000	
2015	\$110,000	
2016	\$110,000	
2017	\$120,000	
2018	\$120,000	
2019	\$35,000	
2020	\$35,000	
2021	\$40,000	
2022	\$40,000	
2023	\$40,000	
2024	\$45,000	
2025	\$45,000	
2026	\$50,000	
2027	\$50,000	
2028	\$55,000	

2.02 Interest Payment Dates; Record Date.

A. The Bonds shall bear interest at the annual rates stated therefor in Section 2.01. The interest shall be payable semiannually on February 1 and August 1 in each year (each

referred to herein as an "Interest Payment Date") commencing on February 1, 2008. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board and the rules of the Municipal Securities

B. The Bond Registrar designated below shall make all interest payments with respect to the Bonds by check or draft mailed to the person in whose name each Bond is registered (the "Holder") and in each case at the address shown on the bond registration records maintained by the Bond Registrar at the close of business on the 15th day (whether or not on a business day) of the calendar month next preceding the Interest Payment Date (the "Regular Record Date"). Any such interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder thereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of such defaulted interest (the "Special Record Date"). The Special Record Date shall be fixed by the Bond Registrar whenever money becomes available for payment of the defaulted interest and notice of the Special Record Date shall be given by the Bond Registrar to the Holders not less than ten (10) days prior thereto. The term "Holder" shall also include those lawfully entitled to take actions on behalf of the beneficial owners of the Bonds for purposes of any consent or approvals given by Holders.

C. If the date for payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

2.03 Redemption. A. The Bonds maturing in the years 2009 through 2017 shall not be subject to redemption and prepayment before maturity, but those maturing, or subject to mandatory redemption, in the year 2018 and in subsequent years shall each be subject to redemption and prepayment at the option of the Issuer on February 1, 2017, and on any business day thereafter, in whole or in part, and if in part, at the option of the Issuer and in such manner as the Issuer shall determine at a price of par plus accrued interest to the date of redemption.

B. In the event any of the Bonds are called for redemption, notice thereof identifying the Bonds to be redeemed will be given by the Bond Registrar by mailing a copy of the redemption notice by first class mail (postage prepaid) at least 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books kept by the Bond Registrar; provided however, that so long as the Bonds are registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), notice of redemption shall be given in accordance with the terms of the Representation Letter hereinafter described. Failure to give notice by mail to any registered owner, or any defect therein, will not affect the validity of any proceeding for the redemption of Bonds not affected by such defect or failure. Bonds so called for redemption will cease to bear interest after the specified redemption date, provided that the funds for the redemption are on deposit with the place of payment at that time.

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest.

D. The Bonds maturing on February 1 in the years 20\_\_ and 20\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of this Section 2.03B at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium. The Bond Registrar, as designated below, shall select for redemption, by lot or other manner deemed fair, on February 1 in each of the following years the following stated principal amounts:

For Bonds maturing on February 1, 20\_\_:

Year	Amount
	*

\* Final Maturity

For Bonds maturing on February 1, 20\_\_:

Year	Amount
	*

\* Final Maturity

Section 3. Registration; Global Book Entry System.

3.01 Designation of Bond Registrar. The City Council appoints Northland Trust Services, Inc., Minneapolis, Minnesota, as registrar, authenticating agent and transfer agent for the Bonds (such bank or its successors is herein referred to as the "Bond Registrar"), and shall do so until a successor Bond Registrar is duly appointed, all pursuant to a contract which the Issuer and the Bond Registrar shall execute which is consistent herewith and which the Mayor and Administrator are authorized to execute and deliver. A successor Bond Registrar shall be a bank or trust company eligible for designation as bond registrar pursuant to the Act. The terms of the appointment of the successor Bond Registrar and its duties shall be specified in a contract between the Issuer and such successor Bond Registrar that is consistent herewith and that the Mayor and Administrator are authorized to execute and deliver. The Bond Registrar, which may

act through an agent, shall also serve as paying agent until and unless a successor paying agent is duly appointed. The Bond Registrar shall pay principal and interest on the Bonds to the registered Holders (or record Holders) of the Bonds in the manner set forth herein. The Issuer agrees to pay the reasonable and customary charges for the services of such Bond Registrar.

3.02 Designation of Depository. DTC, a Securities and Exchange Commission designated depository, a limited purpose New York trust company, a member of the Federal Reserve System, and a "clearing corporation" within the meaning of the New York Uniform Commercial Code, is designated as the depository (the "Depository") with respect to the Bonds.

3.03 Authentication of Bonds. No Bond shall be valid or obligatory for any purpose unless or until either (i) the Bond Registrar's authentication certificate on such Bond, substantially set forth in Section 4.01 hereof, shall have been duly executed by an authorized representative of the Bond Registrar or (ii) the Bonds have been manually executed by at least one officer of the City Council. Authentication certificates on different Bonds need not be signed by the same representative. The Bond Registrar shall authenticate each Bond by execution of the Certificate of Authentication on the Bond and shall date each Bond in the space provided as of the date on which the Bond is registered. For purposes of delivering the original Bonds, the Bond Registrar shall insert as the date of registration the date of original issue. The executed Authentication Certificate or the manual signature of at least one officer of the City Council on each Bond shall be conclusive evidence that it has been authenticated and delivered under this Resolution.

3.04 Bond Register; Transfer; Exchange.

A. The Issuer shall cause to be kept by the Bond Registrar at its principal office, a bond register in which, subject to such reasonable regulations as the Bond Registrar may prescribe, the Issuer shall provide for the registration of the Bonds and the registration of transfers of the Bonds entitled to be registered or transferred as herein provided. In the event of the resignation or removal of the Bond Registrar or its incapability of acting as such, the bond registration records shall be maintained at the office of the successor Bond Registrar as may be appointed by the City Council.

B. Upon surrender for transfer of any Bond at the principal corporate office of the Bond Registrar, the Issuer shall execute, if required by law or this Resolution, and the Bond Registrar shall authenticate, if required by law or this Resolution, date (in the space designated Date of Registration) and deliver, in the name(s) of the designated transferee or transferees, one or more new Bonds of the like aggregate principal amount having the same stated maturity and interest rate, as requested by the transferor; provided, however, that no Bond may be registered in blank or in the name of "bearer" or similar designation. Transfer of a Bond may be made on the Issuer's books by the registered owner in person or by the registered owner's attorney duly authorized in writing. Transfers shall be subject to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar, including regulations which permit the Bond Registrar to close its transfer books between record dates and payment dates. The Issuer and the Bond Registrar shall not be required to make any transfer or exchange of any Bonds called for redemption or to make any such exchange or transfer of the Bonds during the 15 days



next preceding the date of the first publication or the mailing (if there is no publication) of notice of redemption in the case of a proposed redemption of the Bonds.

C. Every Bond presented or surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, in form satisfactory to the Bond Registrar, duly executed by the registered owner thereof, with signature guaranteed, or by the registered Holder's attorney duly authorized in writing, and shall include written instructions as to the details of the transfer of the Bond. When any Bond is presented to the Bond Registrar for transfer, the Bond Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Bond or separate instrument of transfer is valid and genuine and that the requested transfer is legally authorized. The Bond Registrar shall incur no liability for the refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

D. At the option of the Holder, replacement Bonds may be exchanged for Bonds of any authorized denomination or denominations of a like aggregate principal amount and stated maturity, upon surrender of the Bonds to be exchanged at the principal office of the Bond Registrar. Whenever any Bonds are so surrendered for exchange, the Issuer shall execute (if required by law or this Resolution), and the Bond Registrar shall authenticate (if required by law or this Resolution), date (in the space designated Date of Registration) and deliver the replacement Bonds which the Holder making the exchange is entitled to receive. Bonds registered in the name of Cede & Co. may not be exchanged for Bonds of smaller denominations.

E. All Bonds surrendered upon any exchange or transfer provided for in this Resolution shall be promptly canceled by the Bond Registrar and thereafter disposed of as directed by the Issuer.

F. Each Bond delivered upon transfer of or in exchange for or in lieu of any other Bond shall carry all of the rights to interest, accrued and unpaid and to accrue, which are carried by such other Bond. All Bonds delivered in exchange for or upon transfer of Bonds shall be valid general obligations of the Issuer evidencing the same debt, shall be entitled to the same benefits under this Resolution as the Bonds surrendered for such exchange or transfer, and shall carry all the rights to interest accrued and unpaid, and to accrue, which were carried by such other Bonds.

G. The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of any Bond and any legal or unusual costs regarding transfers and lost bonds.

H. Bonds registered in the name of Cede & Co. may not after their original delivery, be transferred or exchanged except in accordance with the terms and conditions of the Representation Letter and:

(i) upon exchange of a Bond after a partial redemption, if provided in Section 2.03 of this Resolution;

(ii) to any successor of the Depository (or its nominee) or any substitute depository (a "Substitute Depository") designated pursuant to clause (iii) below, provided that any successor of the Depository or any Substitute Depository must be both a "clearing corporation" as defined in the Minnesota Uniform Commercial Code, Minnesota Statutes, Section 336.8-102, and a qualified and registered "clearing agency" as provided in Section 17A of the Securities Exchange Act of 1934, as amended;

(iii) to a Substitute Depository designated by and acceptable to the Issuer upon (a) the determination by the Depository that the Bonds shall no longer be eligible for its depository services or (b) a determination by the Issuer that the Depository is no longer able to carry out its functions; provided that any Substitute Depository must be qualified to act as such, as provided in subclause (ii) above; or

(iv) in the event that (a) the Depository shall resign or discontinue its services for the Bonds or be declared no longer able to carry out its functions and the Issuer is unable to locate a Substitute Depository within two months following the resignation or discontinuance or determination of noneligibility, or (b) the Issuer determines in its sole discretion that (1) the continuation of the book-entry system described herein might adversely affect the interests of the beneficial owners of the Bonds, or (2) it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, then the Issuer shall notify the Holders of its determination and of the availability of replacement Bonds to Holders. The Issuer, the Bond Registrar and the Depository shall cooperate in providing Replacement Bonds to Holders requesting the same and the registration, transfer and exchange of such Bonds shall thereafter be conducted as provided in Section 3 of this Resolution.

I. In the event of the designation of a Substitute Depository as authorized by clause H., the Bond Registrar, upon presentation of a Bond, shall register their transfer to the Substitute Depository, and the Substitute Depository shall be treated as the Depository for all purposes and functions under this Resolution. The Representation Letter shall not apply to the Substitute Depository unless the Issuer and the Substitute Depository so agree, and the execution of a similar agreement is authorized.

### 3.05 Persons Deemed Owners; Payment.

A. The Issuer and the Bond Registrar may treat the person in whose name any Bond is registered as the owner of such Bond for the purpose of receiving payment of principal of and premium, if any, and interest (subject to the payment provisions in Section 2.02 above), on such Bond and for all other purposes whatsoever, whether or not such Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

B. For the purposes of all actions, consents and other matters affecting Holders of Bonds issued under this Resolution as from time to time supplemented, other than payments, redemptions, and purchases, the Issuer may (but shall not be obligated to) treat as the Holder of a Bond the beneficial owner of the Bond instead of the person in whose name the Bond is

registered. For that purpose, the Issuer may ascertain the identity of the beneficial owner of the Bond by such means as the Bond Registrar in its sole discretion deems appropriate, including but not limited to a certificate from the Depository or other person in whose name the Bond is registered identifying such beneficial owner.

C. The principal of and interest on the Bonds shall be payable by the Bond Registrar in such funds as are legal tender for the payment of debts due the United States of America. The Issuer shall pay the reasonable and customary charges of the Bond Registrar for the disbursement of principal and interest.

### 3.06 Use of Global Book-Entry System.

A. There has been previously submitted to this City Council a form of Blanket Issuer Letter of Representations (the "Representation Letter") between the Issuer and the Depository setting forth various matters relating to the Depository and its role with respect to the Bonds. The terms and conditions of the Representation Letter are ratified.

B. All of the Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Payment of interest on and principal of any Bond registered in the name of Cede & Co. shall be made by wire transfer or New York Clearing House or equivalent same day funds by 10:00 a.m. CT or as soon as possible thereafter following the Bond Registrar's receipt of funds from the Issuer on each Interest Payment Date to the account of Cede & Co. on each Interest Payment Date at the address indicated in or pursuant to the Representation Letter.

C. So long as DTC is the Depository or it or its nominee is the Holder of any Bonds, the Issuer shall comply with the provisions of the Representation Letter, as it may be amended or supplemented from time to time.

D. Additional matters with respect to, among other things, notices, consents and approvals by Holders and payments on the Bonds are set forth in the Representation Letter.

E. The provisions in the Representation Letter are incorporated herein by reference and made a part of this resolution, and if and to the extent any such provisions are inconsistent with the other provisions of this resolution, the provisions in the Representation Letter shall control.

3.07 Mutilated, Stolen or Destroyed Bonds. If a Bond becomes mutilated or is destroyed, stolen, or lost, the Bond Registrar will deliver a new Bond of like amount, number, maturity date, and tenor in exchange and substitution for and upon cancellation of the mutilated Bond or in lieu of and in substitution for any Bond destroyed, stolen, or lost, upon the payment of the reasonable expenses and charges of the Bond Registrar and the Issuer in connection therewith, including the cost of printing new Bonds; and, in the case of a Bond destroyed, stolen, or lost, upon filing with the Bond Registrar and the Issuer of evidence satisfactory to it and the Issuer that the Bond was destroyed, stolen, or lost, and of the ownership thereof, and upon furnishing to the Bond Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it and the Issuer and as provided by law, in which both the Issuer and the

Bond Registrar must be named as obligee. Bonds so surrendered to the Bond Registrar will be canceled by the Bond Registrar and evidence of such cancellation must be given to the Issuer. If the mutilated, destroyed, stolen, or lost Bond has already matured or been called for redemption in accordance with its terms, it is not necessary to issue a new Bond prior to payment.

Section 4. Form of the Bonds.

4.01 The Bonds shall be printed or typewritten in substantially the following form:

UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF ST. LOUIS

R- \_\_\_\_\_ \$ \_\_\_\_\_

CITY OF MOUNTAIN IRON  
GENERAL OBLIGATION IMPROVEMENT BOND, SERIES 2007A

<u>Rate</u>	<u>Maturity Date</u>	<u>Date of Original Issue</u>	<u>CUSIP</u>
_____%	February 1, 20__	September __, 2007	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: \_\_\_\_\_ DOLLARS

The City of Mountain Iron, St. Louis County, Minnesota (the "Issuer"), certifies that it is indebted and for value received, promises to pay to the registered owner specified above or on the Registration Certificate attached hereto, or registered assigns, in the manner hereinafter set forth, the principal amount specified above, on the maturity date specified above, and to pay interest thereon from the date of original issue set forth above, or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, until the principal amount is paid, said interest being at the rate per annum specified above. Interest is payable semiannually on February 1 and August 1 of each year (each referred to herein as an "Interest Payment Date") commencing on February 1, 2008, at the rate per annum specified above, calculated on the basis of a 360-day year of twelve 30-day months, until the principal amount is paid or has been provided for. This Bond will bear interest from the most recent Interest Payment Date to which interest has been paid or duly provided for, or, if no interest has been paid or provided for, from the date of original issue hereof set forth above.

**Payment.** The principal of and premium, if any, on this Bond are payable by wire transfer (or other agreed means of payment) on each payment date no later than 12:00 noon (New York, New York time) upon presentation and surrender hereof at the office of Northland Trust Services, Inc., Minneapolis, Minnesota, as registrar, paying agent, authenticating agent and transfer agent (the "Bond Registrar"), or at the office of such successor bond registrar as may be designated by the Issuer. Interest on this Bond will be paid on each Interest Payment Date (by

12:00 noon, New York, New York time) by wire transfer (or other agreed means of payment) to the person in whose name this Bond is registered (the "Holder" or "Bondholder") on the registration books of the Issuer maintained by the Bond Registrar and at the address appearing thereon at the close of business on the 15th day of the calendar month next preceding such Interest Payment Date (the "Regular Record Date"). Any interest not so timely paid or duly provided for shall cease to be payable to the person who is the Holder hereof as of the Regular Record Date, and shall be payable to the person who is the Holder thereof at the close of business on a date fixed for the payment of the defaulted interest, and notice of the special record date shall be given by the Bond Registrar to the Holders not less than (10) ten days prior thereto. The Bond Registrar shall make all payments with respect to this Bond without, except for payment of principal on the Bond, the presentation or surrender of this Bond, and all such payments shall discharge the obligations of the Issuer to the extent of the payments so made. The principal of, premium, if any, and interest on this Bond are payable in lawful money of the United States of America. For the prompt and full payment of such principal and interest as they become due, the full faith and credit of the Issuer are irrevocably pledged.

**Date of Payment Not Business Day.** If the date for payment of the principal of, premium, if any, or interest on this Bond shall be a Saturday, Sunday, legal holiday or a day on which banking institutions in the City of New York, New York, or the city where the principal office of the Bond Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which such banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the nominal date of payment.

**Optional Redemption.** The Bonds maturing in the years 2009 through 2017 shall not be subject to redemption before maturity, but those maturing in the years 2018 and subsequent years are each subject to redemption and prepayment at the option of the Issuer on February 1, 2017, and on any business day thereafter, in whole or in part, and if in part at the option of the Issuer and in such manner as the Issuer shall determine and by lot as to Bonds maturing in the same year, at a price of par plus accrued interest to the date of redemption.

**Mandatory Redemption.** The Bonds maturing in the years \_\_\_\_ and \_\_\_\_ shall be subject to mandatory redemption prior to maturity pursuant to the requirements of the Resolution at a redemption price equal to the stated principal amount thereof plus interest accrued thereon to the redemption date, without premium.

**Notice of and Selection of Bonds for Redemption.** Not less than 30 nor more than 60 days prior to the date fixed for redemption and prepayment of any Bonds, notice of redemption shall be mailed to each registered owner of a Bond to be redeemed; provided, however, that so long as the Bonds are registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), notice of redemption shall be given in accordance with the terms of the Blanket Issuer Letter of Representations which has been executed by the Issuer and DTC (the "Representation Letter").

If less than all the Bonds of a maturity are called for redemption while the Bonds are registered in the name of Cede & Co., the Issuer or the Bond Registrar designated below will

notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed. If less than all the Bonds of a maturity are called for redemption and the Bonds are not registered in the name of Cede & Co., the Bond Registrar will determine by lot or other manner deemed fair, the amount of each maturity to be redeemed. All prepayments shall be at a price equal to the principal amount thereof plus accrued interest. If any Bond is redeemed in part, upon surrender of the Bond being redeemed, the Issuer shall deliver or cause to be delivered to the registered owner of such Bond, a Bond in like form in the principal amount equal to that portion of the Bond so surrendered not being redeemed.

**Issuance; Purpose.** This Bond is one of a series issued by the Issuer in the total aggregate amount of \$1,455,000 General Obligation Improvement Bonds, Series 2007A, all of like original issue date and tenor, except as to number, maturity date, redemption privilege, denomination and interest rate, pursuant to: (i) the authority contained in Minnesota Statutes, Chapters 429 and 475; (ii) the Constitution of the State of Minnesota and all other laws thereunto enabling; and (iii) an authorizing resolution adopted by the governing body of the Issuer on August 20, 2007 (the "Resolution") and is issued for the purpose of financing a portion of the costs of local public improvements. The principal of and interest on the Bonds are payable primarily from special assessments levied or to be levied against benefited property and ad valorem taxes pledged to the Debt Service Account in the special fund of the Issuer entitled "2007 Improvement Program Fund," as set forth in the Resolution to which reference is made for a full statement of rights and powers thereby conferred.

**General Obligation.** This Bond constitutes a general obligation of the Issuer, and to provide moneys for the prompt and full payment of the principal and interest when the same become due, the full faith and credit and taxing powers of the Issuer have been and are irrevocably pledged.

**Denominations; Exchange.** The Bonds of this series are issued as fully registered bonds without coupons, in the denomination of \$5,000 or any integral multiple thereof. The Issuer will, at the request of the registered owner, issue one or more new fully registered Bonds in the name of the registered owner in the aggregate principal amount equal to the unpaid principal balance of this Bond, and of like tenor except as to number and principal amount at the principal office of the Bond Registrar, but only in the manner and subject to the limitations provided in the Resolution and the Representation Letter. Reference is made to the Resolution for a description of the rights and duties of the Bond Registrar. Copies of the Resolution are on file in the principal office of the Bond Registrar.

**Registration; Transfer.** This Bond shall be registered in the name of the payee on the books of the Issuer by presenting this Bond for registration to the Bond Registrar, whose representative will endorse his or her name and note the date of registration opposite the name of the payee in the Registration Certificate attached hereto. Thereafter this Bond may be transferred by delivery with an assignment duly executed by the Holder or the Holder's legal representative, and the Issuer and Bond Registrar may treat the Holder as the person exclusively entitled to exercise all the rights and powers of an owner until this Bond is presented with such

assignment for registration of transfer, accompanied by assurance of the nature provided by law that the assignment is genuine and effective, and until such transfer is registered on said books and noted hereon by the Bond Registrar, all subject to the terms and conditions provided in the Resolution and the Representation Letter and to reasonable regulations of the Issuer contained in any agreement with, or notice to, the Bond Registrar. Thereupon the Issuer shall execute (if required by law or the Resolution) and the Bond Registrar shall authenticate (if required by law or the Resolution) and deliver, in exchange for this Bond, one or more new fully registered Bonds in the name of the transferee, of an authorized denomination, in an aggregate principal amount equal to the principal amount of this Bond, of the same maturity, and bearing interest at the same rate.

**Fees Upon Transfer or Loss.** The Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection with the transfer or exchange of this Bond and any legal or unusual costs regarding transfers and lost Bonds. No service charge shall be made by the Issuer for any transfer or exchange hereinbefore referred to but the Issuer may require payment of a sum sufficient to cover any tax or other governmental charge payable in connection therewith.

**Treatment of Registered Owner.** The Issuer and Bond Registrar may treat the person in whose name this Bond is registered as the owner hereof for the purpose of receiving payment as herein provided and for all other purposes whatsoever, whether or not this Bond shall be overdue, and neither the Issuer nor the Bond Registrar shall be affected by notice to the contrary.

**Authentication.** This Bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Resolution until either (i) the Bond Registrar's Authentication Certificate hereon shall have been executed by the Bond Registrar by one of its authorized representatives or (ii) the Bond has been manually executed by at least one officer of the governing body of the Issuer.

**Qualified Tax-Exempt Obligations.** The Bonds of this issue have been designated by the Issuer as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the deduction of interest expenses allocable to the Bonds by financial institutions.

IT IS CERTIFIED, RECITED, COVENANTED AND AGREED that all acts, conditions and things required by the Constitution and laws of the State of Minnesota to be done, to happen and to be performed precedent to and in the issuance of this Bond in order to make it a valid and binding general obligation of the Issuer enforceable in accordance with its terms, have been done, have happened and have been performed in regular and due form, time and manner as so required; that, if necessary for payment of principal of and interest on the Bonds of this issue, ad valorem taxes may be levied upon all taxable property in the Issuer without limitation as to rate or amount; and that the issuance of this Bond on the date of original issue hereof and the date of its actual original issuance and delivery, does not exceed any constitutional or statutory limitation of indebtedness.

IN WITNESS WHEREOF, the City of Mountain Iron, St. Louis County, Minnesota, by its governing body, has caused this Bond to be executed in its name by the facsimile or manual signature of the Mayor and attested by the facsimile or manual signature of the Administrator, the Issuer having no seal or said seal having been intentionally omitted as permitted by law.

ATTEST:

*(Form- No signature required)*  
 \_\_\_\_\_  
 Administrator

*(Form- No signature required)*  
 \_\_\_\_\_  
 Mayor

Date of Authentication: \_\_\_\_\_

**BOND REGISTRAR'S AUTHENTICATION CERTIFICATE**

The Bond Registrar confirms that the books reflect the ownership of the Bond registered in the name of the owner named above in the principal amount and maturing on the date stated above and this Bond is one of the Bonds of the series issued pursuant to the Resolution hereinabove described.

NORTHLAND TRUST SERVICES, INC.  
 Minneapolis, Minnesota  
 Bond Registrar

By \_\_\_\_\_  
 Authorized Representative

REGISTRATION CERTIFICATE

This Bond must be registered as to both principal and interest in the name of the owner on the books to be kept by Northland Trust Services, Inc., Minneapolis, Minnesota, as Bond Registrar. No transfer of this Bond shall be valid unless made on said books by the registered owner or the owner's attorney thereunto duly authorized and similarly noted on the registration books. The ownership of the unpaid principal balance of this Bond and the interest accruing thereon is registered on the books of Northland Trust Services, Inc. in the name of the registered owner last noted below.

Date	Registered Owner	Signature of Bond Registrar
___/___/07	Cede & Co. c/o The Depository Trust Company 55 Water Street New York, NY 10041 Federal Taxpayer I.D. No.: 13-2555119	_____



ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_

(Name and Address of Assignee)

Social Security or Other  
Identifying Number of Assignee

the within Bond and all rights thereunder and does irrevocably constitute and appoint \_\_\_\_\_ attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: \_\_\_\_\_

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatsoever.

Signature Guaranteed:

(Bank, Trust Company, member of  
National Securities Exchange)

*Unless this Bond is presented by an authorized representative of The Depository Trust Company, a New York corporation ("DTC"), to the Issuer or its agent for registration of transfer, exchange, or payment, and any bond issued is registered in the name of Cede & Co. or in such other name as is requested by an authorized representative of DTC (and any payment is made to Cede & Co. or to such other entity as is requested by an authorized representative of DTC), ANY TRANSFER, PLEDGE, OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL, inasmuch as the registered owner hereof, Cede & Co., has an interest herein.*

4.02 Preparation and Execution. The Bonds shall be prepared for execution in accordance with the approved form and shall be signed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the Administrator. The legal

opinion of Fryberger, Buchanan, Smith & Frederick, P.A. shall be appended to each Bond. The corporate seal of the Issuer may be omitted from the Bonds as permitted by law. In case any officer whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be an officer before delivery of the Bonds, such signature or facsimile shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

4.03 Delivery of the Bonds. Delivery of the Bonds and payment of the purchase price shall be made at a place mutually satisfactory to the Issuer and the Purchaser. Printed or typewritten, and executed Bonds shall be furnished by the Issuer without cost to the Purchaser. The Bonds, when prepared in accordance with this Resolution and executed, shall be delivered by or under the direction of the Administrator to the Purchaser upon receipt of the purchase price plus accrued interest.

Section 5. Covenants, Accounts and Tax Levies.

5.01 Covenants. It is determined that the Project will directly and indirectly benefit abutting property, and the Issuer covenants with the holders from time to time of the Bonds as follows:

A. The Issuer has caused or will cause the special assessments for the Project (the "Special Assessments") to be promptly levied so that the first installment will be collectible not later than 2008 and will take all steps necessary to assure prompt collection, and the levy of the Special Assessments is authorized for purposes of Minnesota Statutes, Section 475.55, Subdivision 3. The City Council will cause all further actions and proceedings to be taken with due diligence that are required for the construction of each portion of the Project financed wholly or partly from the proceeds of the Bonds, and for the final and valid levy of the Special Assessments and the appropriation of any other funds needed to pay the Bonds and interest thereon when due.

B. It is recognized that the Issuer's liability on the Bonds is not limited to the Special Assessments and ad valorem taxes pledged herein, and the City Council covenants and agrees that in the event of any current or anticipated deficiency in Special Assessments or ad valorem taxes, it will levy upon all taxable property within the Issuer and cause to be extended, assessed, and collected, any additional taxes found necessary for full payment of the principal of and interest on the Bonds, without limitation as to rate or amount.

C. The Issuer will keep complete and accurate books and records showing: receipts and disbursements in connection with the improvements and Special Assessments and ad valorem taxes levied therefor and other funds appropriated for their payment, collections and disbursements thereof, moneys on hand and the balance of unpaid Special Assessments.

D. The Issuer will cause its books and records to be audited and will furnish copies of such audit reports to any interested person upon request.

to be assessed against the Bonds. The City Council covenants and agrees with the holders of the Bonds and with its taxpayers that it will assess against benefited property not less than 20% of the cost of each Project financed hereunder within the meaning of Minnesota Statutes, Section 475.58, Subdivision 1(3).

F. The Issuer covenants and agrees that it will let all construction contracts not heretofore let within one year after ordering each Project financed hereunder unless the resolution ordering the Project specifies a different time limit for the letting of construction contracts.

G. The Issuer further covenants and agrees that it will do and perform as soon as they may be done all acts and things necessary for the final and valid levy of such Special Assessments, and in the event that any such assessment be at any time held invalid with respect to any lot, piece or parcel of land due to any error, defect, or irregularity in any action or proceedings taken or to be taken by the Issuer or the City Council, or any of the Issuer officers or employees, either in the making of the Special Assessments or in the performance of any condition precedent thereto, the Issuer and the City Council will forthwith do all further acts and take all further proceedings as may be required by law to make the assessments a valid and binding lien upon such property.

5.02 The Fund. There is created a special fund to be designated the "2007 Improvement Program Fund" (the "Fund") to be administered and maintained by the Treasurer as a bookkeeping account separate and apart from all other funds maintained in the official financial records of the Issuer. The Fund shall be maintained in the manner herein specified until all of the Bonds and the interest thereon have been fully paid. There shall be maintained in the Fund two (2) separate accounts, to be designated the "Construction Account" and "Debt Service Account," respectively:

A. *Construction Account.*

(1) On receipt of the purchase price of the Bonds, the Issuer shall credit (a) proceeds from the sale of the Bonds, less amounts allocated as capitalized interest funded from Bond proceeds (the "Capitalized Interest") and less amounts used to pay part of the interest cost of the issue as allowed by Minnesota Statutes, Section 475.56 (the "Additional Interest") and less amounts allocated to accrued interest paid by the Purchaser upon closing and delivery of the Bonds (the "Accrued Interest"); plus (b) any Special Assessments levied with respect to the Project and collected prior to completion of the Project and payment of the costs thereof, to the Construction Account.

(2) From the Construction Account there shall be paid all costs and expenses of making the Project, including the cost of any construction contracts heretofore let and all other costs incurred and to be incurred of the kind authorized in Minnesota Statutes, Section 475.65; and the moneys in said account shall be used for no other purpose except as otherwise provided by law; provided that the proceeds of the Bonds may also be used to the extent necessary to pay interest on the Bonds due prior to the anticipated date of

commencement of the collection of taxes or Special Assessments herein levied or covenanted to be levied; and provided further that if upon completion of the Project there shall remain any unexpended balance in the Construction Account, the balance (other than any Special Assessments) may be transferred by the City Council to the fund of any other improvement instituted pursuant to Minnesota Statutes, Chapter 429, and provided further that any Special Assessments credited to the Construction Account shall only be applied towards payment of the costs of the Project upon adoption of a resolution by the City Council determining that the application of the Special Assessments for such purpose will not cause the Issuer to no longer be in compliance with Minnesota Statutes, Section 475.61, Subdivision 1. Other costs for which payment from the Construction Account is authorized shall include costs of legal, financial advisory, and other professional services, printing and publication costs, and costs of issuance of the Bonds.

B. *Debt Service Account.*

(1) There is pledged and appropriated and there shall be credited to the Debt Service Account: (i) the Accrued Interest; (ii) the Capitalized Interest; (iii) the Additional Interest; (iv) Special Assessments levied or to be levied for the Project and either initially credited to the Construction Account and not already spent as permitted above and required to pay any principal and interest due on the Bonds or collected subsequent to the completion of the Project and payment of the costs thereof; (v) the ad valorem taxes hereinafter levied; (vi) all funds remaining in the Construction Account after completion of the Project and payment of the costs thereof, not so transferred to the account of another improvement; (vii) any and all other moneys which are properly available and are appropriated by the governing body of the Issuer to the Debt Service Account; and (viii) investment earnings on the monies identified in the foregoing clauses (i) through (vii). The proceeds of the Bonds described in clauses (i) through (viii) of the preceding sentence shall be used for payment of interest on the Bonds.

(2) The money in such account shall be used for no purpose other than the payment of principal and interest and redemption premium, if any, on the Bonds and any other general obligation bonds of the Issuer hereafter issued by the Issuer and made payable from said account as provided by law; provided, however, that if any payment of principal or interest shall become due when there is not sufficient money in the Debt Service Account, the Administrator shall pay the same from any other fund of the Issuer, which fund shall be reimbursed from the Debt Service Account when the balance therein is sufficient.

5.03 Tax Levy. A. For the prompt and full payment of the principal and interest on the Bonds when due, the full faith and credit and taxing power of the Issuer are irrevocably pledged. There is levied a direct annual ad valorem tax upon all taxable property in the Issuer which shall be spread upon the tax rolls and collected with and as part of other general property taxes in the Issuer. Said levies are for the years and in the amounts set forth in ATTACHMENT A hereto, which is incorporated by reference as though fully set forth herein.

B. The tax levies are such that if collected in full, they together with estimated collections of investment earnings and Special Assessments herein pledged for payment of the Bonds, will produce at least 5% in excess of the amount needed to meet when due the principal and interest payments on the Bonds.

C. The tax levies shall be irrevocable so long as any of the Bonds are outstanding and unpaid; provided, however, that on November 30 of each year, while any Bonds issued hereunder remain outstanding, the Board of Supervisors shall reduce or cancel the above levies to the extent of funds available in the Debt Service Account to pay principal and interest due during the ensuing year, and shall direct the County Auditor to reduce the levy for such calendar year by that amount.

5.04 Investments. Monies on deposit in the Construction Account and in the Debt Service Account may, at the discretion of the Administrator, be invested in securities permitted by Minnesota Statutes, Chapter 118A, that any such investments shall mature at such times and in such amounts as will permit for payment of project costs and/or payment of the principal and interest on the Bonds when due.

## Section 6. Tax Covenants.

### 6.01 General.

A. The Issuer covenants and agrees with the Holders of the Bonds that the Issuer will (i) take all action on its part necessary to cause the interest on the Bonds to be exempt from federal income taxes including, without limitation, restricting, to the extent necessary, the yield on investments made with the proceeds of the Bonds and investment earnings thereon, making required payments to the federal government, if any, and maintaining books and records in a specified manner, where appropriate, and (ii) refrain from taking any action which would cause interest on the Bonds to be subject to federal income taxes, including, without limitation, refraining from spending the proceeds of the Bonds and investment earnings thereon on certain specified purposes.

B. The Issuer covenants with the Holders from time to time of the Bonds that it will not take, or permit to be taken by any of its officers, employees or agents, any action which would cause the interest payable on the Bonds to become subject to taxation under the Internal Revenue Code; and that it will take, or it will cause its officers, employees or agents to take, all affirmative actions within its powers which may be necessary to insure that such interest will not become subject to taxation under the Code. The term "Internal Revenue Code" or "Code" as used herein includes the Internal Revenue Code of 1986, as amended, and all regulations, amended regulations and proposed regulations issued thereunder, as now existing, or as hereafter amended or proposed.

C. No portion of the proceeds of the Bonds shall be used directly or indirectly to acquire higher yielding investments or to replace funds which were used directly or indirectly to acquire higher yielding investments, except (i) for a reasonable temporary period until such proceeds are needed for the purpose for which the Bonds were issued and (ii) in addition to the

above in an amount not greater than the lesser of five percent (5%) of the proceeds of the Bonds or \$100,000. To this effect any proceeds of the Bonds and any sums from time to time held in the Debt Service Account (or any other Issuer account which will be used to pay principal or interest to become due on the Bonds payable therefrom) in excess of amounts which under then applicable federal arbitrage restrictions may be invested without regard to yield shall not be invested at a yield in excess of the applicable yield restrictions imposed by said arbitrage regulations on such investments after taking into account any applicable "temporary periods" or "minor portion" made available under the federal arbitrage regulations. Money in those funds shall not be invested in obligations or deposits issued by, guaranteed by or insured by the United States or any agency or instrumentality thereof if and to the extent that such investment would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code.

6.02. Small-Issuer Rebate Exception. For purposes of qualifying for the small-issuer exception to the federal arbitrage rebate requirements, the Issuer finds, determines and declares:

- A. the Issuer is a governmental unit with general taxing powers;
- B. the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- C. 95% or more of the net proceeds of the Bonds are to be used for local governmental activities of the Issuer; and
- D. the aggregate face amount of the tax-exempt obligations (other than private activity bonds) issued by the Issuer during the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000, all within the meaning of Section 148(f)(4)(D) of the Code.

6.03. Bank Qualification. In order to qualify the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code, the Issuer makes the following factual statements and representations:

- A. the Bonds are not "private activity bonds" as defined in Section 141 of the Code;
- B. the Issuer designates the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code;
- C. the reasonably anticipated amount of tax-exempt obligations (other than private activity bonds, treating qualified 501(c)(3) bonds as not being private activity bonds) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during the calendar year in which the Bonds are being issued will not exceed \$10,000,000; and

D. not more than \$10,000,000 of obligations issued by the Issuer during the calendar year in which the Bonds are being issued have been designated for purposes of Section 265(b)(3) of the Code.

6.04 Arbitrage Certification. The Mayor and the Administrator, being the officers of the Issuer charged with the responsibility for issuing the Bonds pursuant to this Resolution, are authorized and directed to execute and deliver to the Purchaser an arbitrage certification in order to satisfy the provisions of the Code and the regulations promulgated thereunder.

6.05 Opinion of Counsel. Notwithstanding any other provision of this Section 6, any requirement imposed hereunder or under Section 5 hereof may be deemed inapplicable and of no force or effect if an opinion of counsel is rendered to the Issuer by nationally recognized Bond Counsel to the effect that the failure to impose such requirement will not adversely effect the tax exempt status of interest on the Bonds.

## Section 7. Certificates of Proceedings; Miscellaneous.

7.01 Filing of Resolution; County Auditor Certificate. The Administrator is directed to file a certified copy of this Resolution in the office of the County Auditor of St. Louis County, along with such other information as the County Auditor may require, and to obtain from the County Auditor a certificate stating that the Bonds herein authorized have been duly entered on the Auditor's register and that the tax required by law for the payment of said Bonds has been levied.

7.02 Authentication of Transcript. The officers of the Issuer are authorized and directed to prepare and furnish to the Purchaser and to Bond Counsel certified copies of all proceedings and records of the Issuer relating to the authorization and issuance of the Bonds and to the financial condition and affairs of the Issuer and other affidavits and certificates as may reasonably be requested to show the facts relating to the legality and marketability of the Bonds as such facts appear from the official books and records of the officers' custody or otherwise known to them. All of such certified copies, certificates and affidavits, including any heretofore furnished, constitute representations of the Issuer as to the correctness of facts recited therein and the actions stated therein to have been taken.

7.03 Offering Materials. The Official Statement relating to the Bonds, on file with the Administrator and presented to this meeting, is approved and deemed final, and the furnishing thereof to prospective purchasers of the Bonds is ratified and confirmed, insofar as the same relates to the Bonds and the sale thereof. The Mayor and the Administrator are authorized and directed to certify that they have examined the Official Statement prepared and circulated in connection with the issuance and sale of the Bonds and that to the best of their knowledge and belief the Official Statement is a complete and accurate representation of the facts and representations made therein as of the date of the Official Statement.

7.04 Absent or Disabled Officers. In the event of the absence or disability of the Mayor or the Administrator, such officers or members of the City Council as in the opinion of the Issuer's attorney, may act in their behalf, shall without further act or authorization, execute

and deliver the Bonds, and do all things and execute all instruments and documents required to all things to be done or executed by such absent or disabled officers.

7.05 Defeasance. When all Bonds have been discharged as provided in this paragraph, all pledges, covenants and other rights granted by this resolution to the registered holders of the Bonds shall, to the extent permitted by law, cease. The Issuer may discharge its obligations with respect to any Bonds which are due on any date by irrevocably depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full; or if any Bond should not be paid when due, it may nevertheless be discharged by depositing with the Bond Registrar a sum sufficient for the payment thereof in full with interest accrued to the date of such deposit. The Issuer may also discharge its obligations with respect to any prepayable Bonds called for redemption on any date when they are prepayable according to their terms, by depositing with the Bond Registrar on or before that date a sum sufficient for the payment thereof in full, provided that notice of redemption thereof has been duly given. The Issuer may also at any time discharge its obligations with respect to any Bonds, subject to the provisions of law now or hereafter authorizing and regulating such action, by depositing irrevocably in escrow, with a suitable banking institution qualified by law as an escrow agent for this purpose, cash or securities described in Minnesota Statutes, Section 475.67, Subdivision 8, bearing interest payable at such times and at such rates and maturing on such dates as shall be required, without regard to sale and/or reinvestment, to pay all amounts to become due thereon to maturity or, if notice of redemption as herein required has been duly provided for, to such earlier redemption date.

Section 8. Continuing Disclosure. The City Council acknowledges that the Bonds are subject to the continuing disclosure requirements of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule"). The Rule governs the obligations of certain underwriters to require that issuers of municipal bonds enter into agreements for the benefit of the Holders to provide continuing disclosure with respect to the Bonds. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit underwriters of the Bonds to comply with the Rule, which will enhance the marketability of the Bonds, the Mayor and the Administrator are authorized and directed to execute a Continuing Disclosure Certificate substantially in the form of the Certificate currently on file in the office of the Issuer.

Section 9. Authorization of Payment of Certain Costs of Issuance. The Issuer authorizes the Purchaser to forward the amount of Bond proceeds allocable to the payment of issuance expenses to Northland Trust Services, Inc on the closing date for further distribution as directed by the Purchaser.





ATTACHMENT A

**\$1,455,000 GENERAL OBLIGATION IMPROVEMENT BONDS, SERIES 2007A**  
City of Mountain Iron, Minnesota

<b>Levy Year</b>	<b>Collection Year</b>	<b>Tax Levy</b>
2007	2008	\$77,600
2008	2009	\$77,600
2009	2010	\$77,600
2010	2011	\$77,600
2011	2012	\$77,600
2012	2013	\$77,600
2013	2014	\$77,600
2014	2015	\$77,600
2015	2016	\$77,600
2016	2017	\$77,600
2017	2018	\$77,600

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

I, the undersigned, the duly qualified and acting Administrator of the City of Mountain Iron, Minnesota (the "Issuer"), do certify that I am the official custodian of the records of the Issuer, and that I have compared the attached copy with the original records of the Issuer, and that it is a true and correct transcript taken from the records of a meeting of the City Council, held at the City of Mountain Iron in said State, on August 20, 2007.

IN WITNESS WHEREOF, I have hereunto set my hand as Administrator of the Issuer on August \_\_\_\_, 2007.

\_\_\_\_\_  
Craig Wainio, Administrator

**City of Mountain Iron, Minnesota  
 Unity Second Addition & 2007 Street Improvements**

Project	Total Cost	% of Project Assessed	% of Project Levied	Total Assessment Amount	Total Tax Levy Amount
Unity Addition (Dev.)	759,227.60	100%	0%	759,228	-
Unity Addition (Unity Ext.)	164,850.00	10%	90%	16,485	148,365
N. Heather (1/2 of project)	31,116.50	50%	50%	15,558	15,558
S. Heather (1/2 of project)	51,512.20	75%	25%	38,634	12,878
Granite	9,612.40	25%	75%	2,403	7,209
Locomotive	15,099.60	25%	75%	3,775	11,325
Unity Drive '07	146,028.95	10%	90%	14,603	131,426
Enterprise Drive North	84,247.85	10%	90%	8,425	75,823
Tamarack	26,419.15	75%	25%	19,814	6,605
Coral	7,524.50	25%	75%	1,881	5,643
Centennial	27,908.20	75%	25%	20,931	6,977
<b>Total</b>	<b>1,323,547</b>			<b>901,737</b>	<b>421,810</b>

Note -

The City will apply a \$225,000 grant towards the Unity Addition (Development) reducing this amount to \$534,227.60. The other assessable projects total \$564,319.40.

**City of Mountain Iron, Minnesota**  
**\$1,455,000.00 General Obligation Improvement Bonds, Series 2007A**  
*(Baa1 rated / 20-year term)*

**Total Issue Sources And Uses**

Dated 09/01/2007 | Delivered 09/01/2007

	Street projects	Unity 2nd Addition	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds.....	\$745,000.00	\$710,000.00	\$1,455,000.00
State/Other grant funds.....	-	225,000.00	225,000.00
<b>Total Sources.....</b>	<b>\$745,000.00</b>	<b>\$935,000.00</b>	<b>\$1,680,000.00</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (1.95%).....	14,564.75	13,880.50	28,445.25
Costs of issuance.....	5,312.29	5,062.71	10,375.00
Deposit to Project Construction Fund.....	564,319.40	759,227.69	1,323,547.00
Contingency (5%).....	33,884.62	32,292.73	66,177.35
Engineering.....	128,761.57	122,712.36	251,473.93
Rounding Amount.....	(1,842.63)	1,824.10	(18.53)
<b>Total Uses.....</b>	<b>\$745,000.00</b>	<b>\$935,000.00</b>	<b>\$1,680,000.00</b>

**City of Mountain Iron, Minnesota**  
**\$1,455,000.00 General Obligation Improvement Bonds, Series 2007A**  
*(Baa1 rated / 20-year term)*

**Debt Service Schedule**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/01/2007	-	-	-	-	-
08/01/2008	-	-	54,550.83	54,550.83	-
02/01/2009	65,000.00	3.800%	29,755.00	94,755.00	149,305.83
08/01/2009	-	-	28,520.00	28,520.00	-
02/01/2010	95,000.00	3.800%	28,520.00	123,520.00	152,040.00
08/01/2010	-	-	26,715.00	26,715.00	-
02/01/2011	95,000.00	3.850%	26,715.00	121,715.00	148,430.00
08/01/2011	-	-	24,886.25	24,886.25	-
02/01/2012	95,000.00	3.900%	24,886.25	119,886.25	144,772.50
08/01/2012	-	-	23,033.75	23,033.75	-
02/01/2013	105,000.00	3.950%	23,033.75	128,033.75	151,067.50
08/01/2013	-	-	20,960.00	20,960.00	-
02/01/2014	105,000.00	4.000%	20,960.00	125,960.00	146,920.00
08/01/2014	-	-	18,860.00	18,860.00	-
02/01/2015	110,000.00	4.050%	18,860.00	128,860.00	147,720.00
08/01/2015	-	-	16,632.50	16,632.50	-
02/01/2016	110,000.00	4.050%	16,632.50	126,632.50	143,265.00
08/01/2016	-	-	14,405.00	14,405.00	-
02/01/2017	120,000.00	4.100%	14,405.00	134,405.00	148,810.00
08/01/2017	-	-	11,945.00	11,945.00	-
02/01/2018	120,000.00	4.150%	11,945.00	131,945.00	143,890.00
08/01/2018	-	-	9,455.00	9,455.00	-
02/01/2019	35,000.00	4.200%	9,455.00	44,455.00	53,910.00
08/01/2019	-	-	8,720.00	8,720.00	-
02/01/2020	35,000.00	4.200%	8,720.00	43,720.00	52,440.00
08/01/2020	-	-	7,985.00	7,985.00	-
02/01/2021	40,000.00	4.250%	7,985.00	47,985.00	55,970.00
08/01/2021	-	-	7,135.00	7,135.00	-
02/01/2022	40,000.00	4.300%	7,135.00	47,135.00	54,270.00
08/01/2022	-	-	6,275.00	6,275.00	-
02/01/2023	40,000.00	4.350%	6,275.00	46,275.00	52,550.00
08/01/2023	-	-	5,405.00	5,405.00	-
02/01/2024	45,000.00	4.350%	5,405.00	50,405.00	55,810.00
08/01/2024	-	-	4,426.25	4,426.25	-
02/01/2025	45,000.00	4.400%	4,426.25	49,426.25	53,852.50
08/01/2025	-	-	3,436.25	3,436.25	-
02/01/2026	50,000.00	4.400%	3,436.25	53,436.25	56,872.50
08/01/2026	-	-	2,336.25	2,336.25	-
02/01/2027	50,000.00	4.450%	2,336.25	52,336.25	54,672.50
08/01/2027	-	-	1,223.75	1,223.75	-
02/01/2028	55,000.00	4.450%	1,223.75	56,223.75	57,447.50
<b>Total</b>	<b>\$1,455,000.00</b>	<b>-</b>	<b>\$569,015.83</b>	<b>\$2,024,015.83</b>	<b>-</b>

**City of Mountain Iron, Minnesota**  
**\$1,455,000.00 General Obligation Improvement Bonds, Series 2007A**  
*(Baa1 rated / 20-year term)*

**Debt Service Schedule**

Part 2 of 2

Dated.....	9/01/2007
Delivery Date.....	9/01/2007
First Coupon Date.....	8/01/2008
First available call date.....	2/01/2017
Call Price.....	100.0000000%
Bond Year Dollars.....	\$13,531.25
Average Life.....	9.300 Years
Average Coupon.....	4.2051978%
Net Interest Cost (NIC).....	4.4154168%
True Interest Cost (TIC).....	4.4541901%
Bond Yield for Arbitrage Purposes.....	4.1818563%
All Inclusive Cost (AIC).....	4.5555741%
<b>IRS Form 8038</b>	
Net Interest Cost.....	4.2051978%
Weighted Average Maturity.....	9.300 Years

**City of Mountain Iron, Minnesota**  
**\$745,000.00 General Obligation Improvement Bonds, Series 2007A**  
*(Street Projects / 10-year term)*

**Debt Service Schedule**

Date	Principal	Coupon	Interest	Total P+i	Fiscal Total
09/01/2007	-	-	-	-	-
08/01/2008	-	-	27,160.83	27,160.83	-
02/01/2009	55,000.00	3.800%	14,815.00	69,815.00	96,975.83
08/01/2009	-	-	13,770.00	13,770.00	-
02/01/2010	70,000.00	3.800%	13,770.00	83,770.00	97,540.00
08/01/2010	-	-	12,440.00	12,440.00	-
02/01/2011	70,000.00	3.850%	12,440.00	82,440.00	94,880.00
08/01/2011	-	-	11,092.50	11,092.50	-
02/01/2012	70,000.00	3.900%	11,092.50	81,092.50	92,185.00
08/01/2012	-	-	9,727.50	9,727.50	-
02/01/2013	75,000.00	3.950%	9,727.50	84,727.50	94,455.00
08/01/2013	-	-	8,246.25	8,246.25	-
02/01/2014	75,000.00	4.000%	8,246.25	83,246.25	91,492.50
08/01/2014	-	-	6,746.25	6,746.25	-
02/01/2015	80,000.00	4.050%	6,746.25	86,746.25	93,492.50
08/01/2015	-	-	5,126.25	5,126.25	-
02/01/2016	80,000.00	4.050%	5,126.25	85,126.25	90,252.50
08/01/2016	-	-	3,506.25	3,506.25	-
02/01/2017	85,000.00	4.100%	3,506.25	88,506.25	92,012.50
08/01/2017	-	-	1,763.75	1,763.75	-
02/01/2018	85,000.00	4.150%	1,763.75	86,763.75	88,527.50
<b>Total</b>	<b>\$745,000.00</b>	<b>-</b>	<b>\$186,813.33</b>	<b>\$931,813.33</b>	<b>-</b>

Dated.....	9/01/2007
Delivery Date.....	9/01/2007
First Coupon Date.....	8/01/2008
First available call date.....	2/01/2017
Call Price.....	100.0000000%
Bond Year Dollars.....	\$4,635.42
Average Life.....	6.222 Years
Average Coupon.....	4.0301303%
Net Interest Cost (NIC).....	4.3443361%
True Interest Cost (TIC).....	4.3905900%
Bond Yield for Arbitrage Purposes.....	4.1818563%
All inclusive Cost (AIC).....	4.5283144%
<b>IRS Form 8038</b>	
Net Interest Cost.....	4.0301303%
Weighted Average Maturity.....	6.222 Years



**City of Mountain Iron, Minnesota**  
**\$710,000.00 General Obligation Improvement Bonds, Series 2007A**  
*(Unity 2nd Addition / 20-year term)*

**Debt Service Schedule**

Part 1 of 2

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/01/2007	-	-	-	-	-
08/01/2008	-	-	27,390.00	27,390.00	-
02/01/2009	10,000.00	3.800%	14,940.00	24,940.00	52,330.00
08/01/2009	-	-	14,750.00	14,750.00	-
02/01/2010	25,000.00	3.800%	14,750.00	39,750.00	54,500.00
08/01/2010	-	-	14,275.00	14,275.00	-
02/01/2011	25,000.00	3.850%	14,275.00	39,275.00	53,550.00
08/01/2011	-	-	13,793.75	13,793.75	-
02/01/2012	25,000.00	3.900%	13,793.75	38,793.75	52,587.50
08/01/2012	-	-	13,306.25	13,306.25	-
02/01/2013	30,000.00	3.950%	13,306.25	43,306.25	56,612.50
08/01/2013	-	-	12,713.75	12,713.75	-
02/01/2014	30,000.00	4.000%	12,713.75	42,713.75	55,427.50
08/01/2014	-	-	12,113.75	12,113.75	-
02/01/2015	30,000.00	4.050%	12,113.75	42,113.75	54,227.50
08/01/2015	-	-	11,506.25	11,506.25	-
02/01/2016	30,000.00	4.050%	11,506.25	41,506.25	53,012.50
08/01/2016	-	-	10,898.75	10,898.75	-
02/01/2017	35,000.00	4.100%	10,898.75	45,898.75	56,797.50
08/01/2017	-	-	10,181.25	10,181.25	-
02/01/2018	35,000.00	4.150%	10,181.25	45,181.25	55,362.50
08/01/2018	-	-	9,455.00	9,455.00	-
02/01/2019	35,000.00	4.200%	9,455.00	44,455.00	53,910.00
08/01/2019	-	-	8,720.00	8,720.00	-
02/01/2020	35,000.00	4.200%	8,720.00	43,720.00	52,440.00
08/01/2020	-	-	7,985.00	7,985.00	-
02/01/2021	40,000.00	4.250%	7,985.00	47,985.00	55,970.00
08/01/2021	-	-	7,135.00	7,135.00	-
02/01/2022	40,000.00	4.300%	7,135.00	47,135.00	54,270.00
08/01/2022	-	-	6,275.00	6,275.00	-
02/01/2023	40,000.00	4.350%	6,275.00	46,275.00	52,550.00
08/01/2023	-	-	5,405.00	5,405.00	-
02/01/2024	45,000.00	4.350%	5,405.00	50,405.00	55,810.00
08/01/2024	-	-	4,426.25	4,426.25	-
02/01/2025	45,000.00	4.400%	4,426.25	49,426.25	53,852.50
08/01/2025	-	-	3,436.25	3,436.25	-
02/01/2026	50,000.00	4.400%	3,436.25	53,436.25	56,872.50
08/01/2026	-	-	2,336.25	2,336.25	-
02/01/2027	50,000.00	4.450%	2,336.25	52,336.25	54,672.50
08/01/2027	-	-	1,223.75	1,223.75	-
02/01/2028	55,000.00	4.450%	1,223.75	56,223.75	57,447.50
<b>Total</b>	<b>\$710,000.00</b>	<b>-</b>	<b>\$382,202.50</b>	<b>\$1,092,202.50</b>	<b>-</b>

2007 429 SPLIT 8.09.07 | Unity 2nd Addition | 8/9/2007 | 1:21 PM

**City of Mountain Iron, Minnesota**  
**\$710,000.00 General Obligation Improvement Bonds, Series 2007A**  
*(Unity 2nd Addition / 20-year term)*

**Debt Service Schedule**

Part 2 of 2

Dated.....	9/01/2007
Delivery Date.....	9/01/2007
First Coupon Date.....	8/01/2008
First available call date.....	2/01/2017
Call Price.....	100.0000000%
Bond Year Dollars.....	\$8,895.83
Average Life.....	12.529 Years
Average Coupon.....	4.2964215%
Net Interest Cost (NIC).....	4.4524553%
True Interest Cost (TIC).....	4.4925330%
Bond Yield for Arbitrage Purposes.....	4.1818563%
All Inclusive Cost (AIC).....	4.5720593%
<b>IRS Form 8038</b>	
Net Interest Cost.....	4.2964215%
Weighted Average Maturity.....	12.529 Years

**City of Mountain Iron, Minnesota**  
**\$1,455,000 General Obligation Improvement Bonds, Series 2007A**  
*(Street Projects / 10 yr. term)*  
**(Revenue Needed to meet Street Projects Debt Service Requirements)**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Date	Scheduled P+I	Statutory 105% Debt Service	Less: Capitalized Interest	Less: Special Assessment Revenue	Less: City Special Assessment Revenue (lot sales)	Net City Share (Tax Levy)	Interest Income @ 1.50%	Annual Surplus / Deficit	Cumulative Cash Balance	Year Certified	Year Collected	Tax Levy
02/01/2007	-	-	-	-	-	-	-	-	-	2007	2008	77,600.00
02/01/2008	96,975.83	101,824.62	-	25,366.60	-	77,600.00	-	1,141.98	1,141.98	2008	2009	77,600.00
02/01/2009	97,540.00	102,417.00	-	24,226.53	-	77,600.00	17.13	(573.34)	568.64	2009	2010	77,600.00
02/01/2010	94,880.00	99,624.00	-	23,086.46	-	77,600.00	8.53	1,070.99	1,639.63	2010	2011	77,600.00
02/01/2011	92,185.00	96,794.25	-	21,946.38	-	77,600.00	24.59	2,776.72	4,416.35	2011	2012	77,600.00
02/01/2012	94,455.00	99,177.75	-	20,806.32	-	77,600.00	66.25	(705.18)	3,711.17	2012	2013	77,600.00
02/01/2013	91,492.50	96,087.13	-	19,666.24	-	77,600.00	55.67	1,254.78	4,965.95	2013	2014	77,600.00
02/01/2014	93,492.50	98,167.13	-	18,526.17	-	77,600.00	74.49	(1,966.47)	2,999.48	2014	2015	77,600.00
02/01/2015	90,252.50	94,765.13	-	17,386.10	-	77,600.00	44.99	285.97	3,285.45	2015	2016	77,600.00
02/01/2016	92,012.50	96,613.13	-	16,246.02	-	77,600.00	48.98	(2,716.12)	547.33	2016	2017	77,600.00
02/01/2017	88,527.50	92,953.68	-	15,105.96	-	77,600.00	8.21	(239.71)	307.62	2017	2018	77,600.00
02/01/2018	-	-	-	-	-	-	-	4.61	312.24	2018	2019	-
02/01/2019	-	-	-	-	-	-	-	4.68	316.92	2019	2020	-
02/01/2020	-	-	-	-	-	-	-	4.75	321.67	2020	2021	-
02/01/2021	-	-	-	-	-	-	-	4.83	326.50	2021	2022	-
02/01/2022	-	-	-	-	-	-	-	4.90	331.40	2022	2023	-
02/01/2023	-	-	-	-	-	-	-	4.97	336.37	2023	2024	-
02/01/2024	-	-	-	-	-	-	-	5.05	341.41	2024	2025	-
02/01/2025	-	-	-	-	-	-	-	5.12	346.54	2025	2026	-
02/01/2026	-	-	-	-	-	-	-	5.20	351.73	2026	2027	-
02/01/2027	-	-	-	-	-	-	-	5.28	357.01	2027	-	-
02/01/2028	-	-	-	-	-	-	-	5.28	357.01	2028	-	-
<b>Total</b>	<b>\$931,813.33</b>	<b>\$978,404.00</b>	<b>-</b>	<b>\$202,362.78</b>	<b>-</b>	<b>\$776,000.00</b>	<b>\$398.23</b>	<b>\$357.01</b>	<b>\$357.01</b>			<b>\$776,000.00</b>

**Revenue Footnotes:**

(c) Assessments (street projects) - The special assessment revenue is based on \$142,509 of assessments filed in 2007 for first collection in 2008 at a rate of 8.00% over a term of ten years requiring equal annual principal installments.  
 (f) Assessments / Tax Levy (Unity 2nd Addition) - Column (f) reflects the special assessments / tax levy related to Unity 2nd Addition. The City may reduce the annual levy requirement with other available revenue, such as lot sales.

**City of Mountain Iron, Minnesota**  
**\$1,455,000 General Obligation Improvement Bonds, Series 2007A**  
*(Unity 2nd Addition / 20 yr. term)*  
**(Revenue Needed to meet Unity 2nd Addition Debt Service Requirements)**

**Revenue vs D/S**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Date	Scheduled P+I	Statutory 105% Debt Service	Less: Capitalized Interest	Less: Special Assessment Revenue	Less: City Special Assessment Revenue (lot sales)	Net City Share (Tax Levy)	Interest Income @ 1.50%	Annual Surplus / Deficit	Cumulative Cash Balance	Year Certified	Year Collected	Tax Levy
02/01/2007	-	-	-	-	-	-	-	-	-	-	-	-
02/01/2008	-	-	-	-	-	-	-	-	-	-	-	-
02/01/2009	52,330.00	54,946.50	-	-	57,300.00	-	-	2,353.50	2,353.50	2007	2008	57,300.00
02/01/2010	54,500.00	57,225.00	-	-	57,300.00	-	35.30	110.30	2,463.80	2008	2009	57,300.00
02/01/2011	53,550.00	56,227.50	-	-	57,300.00	-	36.96	1,109.46	3,573.26	2009	2010	57,300.00
02/01/2012	52,587.50	55,216.88	-	-	57,300.00	-	53.60	2,136.72	5,709.98	2010	2011	57,300.00
02/01/2013	56,612.50	59,443.13	-	-	57,300.00	-	85.65	(2,057.48)	3,652.51	2011	2012	57,300.00
02/01/2014	55,427.50	58,198.88	-	-	57,300.00	-	54.79	(844.09)	2,808.42	2012	2013	57,300.00
02/01/2015	54,227.50	56,938.88	-	-	57,300.00	-	42.13	403.25	3,211.67	2013	2014	57,300.00
02/01/2016	53,012.50	55,663.13	-	-	57,300.00	-	48.18	1,985.05	4,896.72	2014	2015	57,300.00
02/01/2017	56,797.50	59,637.38	-	-	57,300.00	-	73.45	(2,263.92)	2,632.80	2015	2016	57,300.00
02/01/2018	55,352.50	58,130.63	-	-	57,300.00	-	39.49	(791.13)	1,841.67	2016	2017	57,300.00
02/01/2019	53,910.00	56,605.50	-	-	57,300.00	-	27.62	722.12	2,563.79	2017	2018	57,300.00
02/01/2020	52,440.00	55,062.00	-	-	57,300.00	-	38.46	2,276.46	4,840.25	2018	2019	57,300.00
02/01/2021	55,970.00	58,768.50	-	-	57,300.00	-	72.60	(1,395.90)	3,444.35	2019	2020	57,300.00
02/01/2022	54,270.00	56,983.50	-	-	57,300.00	-	51.67	368.17	3,812.52	2020	2021	57,300.00
02/01/2023	52,550.00	55,177.50	-	-	57,300.00	-	57.19	2,179.69	5,992.20	2021	2022	57,300.00
02/01/2024	55,810.00	58,600.50	-	-	57,300.00	-	89.88	(1,210.62)	4,781.59	2022	2023	57,300.00
02/01/2025	53,852.50	56,545.13	-	-	57,300.00	-	71.72	826.60	5,608.19	2023	2024	57,300.00
02/01/2026	56,872.50	59,716.13	-	-	57,300.00	-	84.12	(2,332.00)	3,276.18	2024	2025	57,300.00
02/01/2027	54,672.50	57,406.13	-	-	57,300.00	-	49.14	(56.98)	3,219.20	2025	2026	57,300.00
02/01/2028	57,447.50	60,319.88	-	-	57,300.00	-	48.29	(2,971.59)	247.61	2026	2027	57,300.00
<b>Total</b>	<b>\$1,082,202.50</b>	<b>\$1,146,812.63</b>	<b>-</b>	<b>-</b>	<b>\$1,146,000.00</b>	<b>-</b>	<b>\$1,080.24</b>	<b>\$247.61</b>	<b>-</b>			<b>\$1,146,000.00</b>

**Revenue Footnotes:**

(e) Assessments (street projects) - The special assessment revenue is based on \$142,509 of assessments filed in 2007 for first collection in 2008 at a rate of 8.00% over a term of ten years requiring equal annual principal installments.  
(f) (m) Assessments / Tax Levy (Unity 2nd Addition) - Column (f) reflects the special assessments / tax levy related to Unity 2nd Addition. The City may reduce the annual levy requirement with other available revenue, such as lot sales.

**City of Mountain Iron, Minnesota**  
**\$1,455,000 General Obligation Improvement Bonds, Series 2007A**  
*(Unity 2nd Addition / 20 yr. term)*

**(Total Revenue Needed to meet Unity 2nd Addition and Street Projects Debt Service Requirements)**

**Revenue vs D/S**

(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
Date	Scheduled P+I	Statutory 105% Debt Service	Less: Capitalized Interest	Less: Special Assessment Revenue	Less: City Special Assessment Revenue (lot sales)	Net City Share (Tax Levy)	Interest Income @ 1.50%	Annual Surplus / Deficit	Cumulative Cash Balance	Year Certified	Year Collected	Tax Levy
02/01/2007	-	-	-	-	-	-	-	-	-	2007	2008	134,900.00
02/01/2008	149,305.83	156,771.12	-	25,366.60	57,300.00	77,600.00	-	3,495.48	3,495.48	2008	2009	134,900.00
02/01/2010	152,040.00	159,642.00	-	24,226.53	57,300.00	77,600.00	52.43	(463.04)	3,032.44	2009	2010	134,900.00
02/01/2011	148,430.00	155,851.50	-	23,086.45	57,300.00	77,600.00	45.49	2,180.45	5,212.89	2010	2011	134,900.00
02/01/2012	144,772.50	152,011.13	-	21,946.38	57,300.00	77,600.00	78.19	4,913.45	10,126.34	2011	2012	134,900.00
02/01/2013	151,067.50	158,620.88	-	20,806.32	57,300.00	77,600.00	151.90	(2,762.66)	7,363.68	2012	2013	134,900.00
02/01/2014	146,920.00	154,286.00	-	19,666.24	57,300.00	77,600.00	110.46	410.70	7,774.37	2013	2014	134,900.00
02/01/2015	147,720.00	155,106.00	-	18,526.17	57,300.00	77,600.00	116.62	(1,563.21)	6,211.16	2014	2015	134,900.00
02/01/2016	143,265.00	150,428.25	-	17,388.10	57,300.00	77,600.00	93.17	1,951.02	8,162.17	2015	2016	134,900.00
02/01/2017	148,810.00	156,250.50	-	16,246.02	57,300.00	77,600.00	122.43	(4,982.05)	3,180.13	2016	2017	134,900.00
02/01/2018	143,890.00	151,084.50	-	15,105.96	57,300.00	77,600.00	47.70	(1,030.84)	2,149.29	2017	2018	134,900.00
02/01/2019	53,910.00	56,605.50	-	-	57,300.00	77,600.00	32.24	726.74	2,876.03	2018	2019	57,300.00
02/01/2020	52,440.00	55,062.00	-	-	57,300.00	77,600.00	43.14	2,281.14	5,157.17	2019	2020	57,300.00
02/01/2021	55,970.00	58,768.50	-	-	57,300.00	77,600.00	77.36	(1,391.14)	3,766.03	2020	2021	57,300.00
02/01/2022	54,270.00	56,983.50	-	-	57,300.00	77,600.00	56.49	372.99	4,139.02	2021	2022	57,300.00
02/01/2023	52,550.00	55,177.50	-	-	57,300.00	77,600.00	62.09	2,184.59	6,323.60	2022	2023	57,300.00
02/01/2024	55,810.00	58,600.50	-	-	57,300.00	77,600.00	94.85	(1,205.65)	5,117.96	2023	2024	57,300.00
02/01/2025	53,852.50	56,545.13	-	-	57,300.00	77,600.00	76.77	831.64	5,948.60	2024	2025	57,300.00
02/01/2026	56,872.50	59,716.13	-	-	57,300.00	77,600.00	89.24	(2,326.88)	3,622.72	2025	2026	57,300.00
02/01/2027	54,672.50	57,406.13	-	-	57,300.00	77,600.00	54.34	(51.78)	3,570.93	2026	2027	57,300.00
02/01/2028	57,447.50	60,319.88	-	-	57,300.00	77,600.00	53.56	(2,966.31)	604.62	2027		
<b>Total</b>	<b>\$2,024,015.83</b>	<b>\$2,125,216.62</b>	<b>-</b>	<b>\$202,362.78</b>	<b>\$1,146,000.00</b>	<b>\$776,000.00</b>	<b>\$1,458.46</b>	<b>\$504.62</b>	<b>604.62</b>			<b>\$1,922,000.00</b>

**Revenue Footnotes:**

(e) Assessments (street projects) - The special assessment revenue is based on \$142,509 of assessments filed in 2007 for first collection in 2008 at a rate of 8.00% over a term of ten years requiring equal annual principal installments.

(f) Assessments / Tax Levy (Unity 2nd Addition) - Column (f) reflects the special assessments / tax levy related to Unity 2nd Addition. The City may reduce the annual levy requirement with other available revenue, such as lot sales.

**COUNCIL LETTER 082007-VIB**

**ADMINISTRATION**

**RESOLUTION NUMBER 42-07**

**DATE:** August 15, 2007  
**FROM:** Craig J. Wainio  
City Administrator

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Resolution Number 40-07 calls for a feasibility report on the proposed Main Street and Mountain Avenue as outline in the TEA-21 grant application.

It is recommended that the City Council adopt Resolution Number 42-07 Ordering Report.



# 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 42-07

### ORDERING PREPARATION OF REPORT ON IMPROVEMENT

**WHEREAS**, it is proposed to improve Main Street and Mountain Avenue by the replacement of curb and gutter and the replacement of street lighting and to assess the benefited property for all or a portion of the cost of the improvement, pursuant to Minnesota Statutes, Chapter 429.

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

That the proposed improvement be referred to Benchmark Engineering for study and that they are instructed to report to the City Council with all convenient speed advising the City Council in a preliminary way as to whether the proposed improvement is necessary, cost-effective, and feasible and as to whether it should best be made as proposed or in connection with some other improvement, and the estimated cost of the improvement as recommended.

**DULY ADOPTED BY THE CITY COUNCIL THIS 20th DAY OF AUGUST, 2007.**

ATTEST:

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

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

**COUNCIL LETTER 082007-VIC**

**COUNCILOR ED ROSKOSKI**

**STORZ HYDRANT CONNECTORS**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

I don't mind who runs with this but it should be taken care of. Storz types of hydrant connectors should be installed on all the new hydrants in Unity Two. The cost of various styles of hydrant connectors is about the same. An inventory as to how many more Storz connectors would be needed to retro-fit the rest of the town along with associated costs to do so should be done. That information could then be used to budget necessary monies for 2008.

Staff Note: Staff believes that it would be more cost effective to stay with our current system and order the correct hoses or adapters then to replace or retro fit all of the City's current hydrants. In any proposed switch there are also mutual aid issues that would need to be identified. Staff is recommending that the City Council approve staying with the current system and placing this issue to rest to avoid any further confusion.



**COUNCIL LETTER 082007-VID**

**COUNCILOR ED ROSKOSKI**

**NEW ARCHERY RANGE RELOCATION**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

It's been brought to our attention that the new planned for archery range is on the west end of the 20 acre parcel that was transferred to the EDA. The Parks and Recreation Board should review this situation and come up with a recommendation on what to do.

Staff Note: Staff is well aware of the situation regarding the archery range and is exploring further options for the ranges development. Once the options are identifies they will be presented to the Parks and Recreation Board for their consideration and recommendation.

**COUNCIL LETTER 082007-VIE**

**COUNCILOR ED ROSKOSKI**

**MOTT PIT ACCESS UPGRADE**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

There has been a request to upgrade the Mott Pit parking area. Better gravel, a better boat launch area, a fire grill or two, etc. This request should go to the Parks & Recreation Board for review. A Mineland Reclamation grant may be in order.

Staff Note: The mott pit parking area and access is currently controlled by the State of Minnesota, any upgrades or changes would need to be approved by the Department of Natural Resources.

**COUNCIL LETTER 082007-VIF**

**COUNCILOR ED ROSKOSKI**

**SPIRIT LAKE KINROSS SANITARY SEWER**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

Being the IRR is cranking up its Public Works Program, perhaps the City should look at the possibility of getting public water and sewer to the Kinross and Spirit Lake areas. Suggest time line. Benchmark do preliminary engineering and cost estimates – public meeting with residents involved – possible grant application – etc.

**COUNCIL LETTER 082007-VIG**

**COUNCILOR ED ROSKOSKI**

**ADMINISTRATIVE TIME OFF**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

There use to be a City Policy that there always would be an Administrative person at work Monday through Friday's during the entire work day. The Personnel Committee should review this situation. Perhaps see what other towns do.

**COUNCIL LETTER 082007-VIH**

**COUNCILOR ED ROSKOSKI**

**DOWNTOWN ALLEY PAVING**

**DATE:** August 15, 2007  
**FROM:** Councilor Ed Roskoski  
Craig J. Wainio  
City Administrator

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

Mountain Iron appears to be the last Range town with dirt alleys. This situation should go to the Street and Alley Committee for review and recommendation.