

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
TUESDAY, AUGUST 23, 2011 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the July 26, 2011, Regular Meeting (#1-7)
 - B. Receipts
 - C. Bills and Payroll
 - D. Communications (#41-46)
- III. Public Forum
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - B. City Administrator's Report
 - 1. State Auditor Internal Controls (#8-12)
 - C. Sheriff's Department Report
 - D. City Attorneys Report
 - E. City Engineer's Report
 - 1. Pay Request Number 5 for WWTP Aeration System (#13-15)
 - 2. Pay Request Number 4 for Gravel Access Road Improvements (#16-18)
 - F. Utility Advisory Board
 - 1. Agreement with Energy Management Solutions (#19-29)
 - G. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Resolution Number 18-11 Awarding Bids for Bluebell and Daffodil (#31-32)
 - B. Resolution Number 19-11 Adopting Assessment for Old Highway 169 (#33-36)
 - C. Authorization to Dispose of Public Property (#37)
 - D. Authorization to Serve Alcohol at Community Center (#38)
 - E. Reschedule Next Meeting (#39)
- VII. Communications (#41-46)
- VIII. Announcements
- IX. Closed Meeting (#40)
- X. Adjourn

Page Number in Packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
AUGUST 9, 2011

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Tony Zupancich, Susan Tuomela, Ed Roskoski, and Mayor Gary Skalko. Absent member: Joe Prebeg, Jr. Also present were: Craig J. Wainio, City Administrator; Jill M. Anderson, Municipal Services Secretary; and John Backman, Sergeant.

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

1. Approve the minutes of the July 26, 2011, regular meeting as submitted.
2. To acknowledge the receipts for the period July 16-31, 2011, totaling \$748,132.62, (a list is attached and made a part of these minutes).
3. To authorize the payments of the bills and payroll for the period July 16-31, 2011, totaling \$576,993.80, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote with Prebeg absent.

The Mayor commented on the following:

- Power Outages. He said that the City had been working with the Virginia Public Utilities due to the large number of outages in the Parkville and West Virginia areas. The City Administrator also stated that the Utility Advisory Board (UAB) spoke with area business people that attended the last UAB meeting. He said that Greg French, General Manager of Virginia Public Utilities, had been very helpful in trying to resolve the power outage problems. He also said that a study had been completed by the Virginia Public Utilities and they have been making changes to their system.
- Merritt Days. The Mayor reviewed the events scheduled for the Merritt Days Celebration. He encouraged everyone to visit the Historic Locomotive Park.
- Jim Jenko. The Mayor sent out get well wishes to past Mayor Jenko for his recent hospitalization.

The City Administrator commented on the following:

- August 23, 2011 City Council meeting. He reminded the Council that an assessment hearing would be held at 5:30 p.m. on August 23, 2011.
- Preliminary 2012 Budget. City Staff would be presenting a preliminary budget to the Council at the first meeting in September.
- Saint Louis County Sheriff. He met with Sheriff Litman regarding a new agreement for services with the Saint Louis County Sheriff's Department.

- Utility Advisory Board. He said that the UAB is considering different options for handling conservation services for the Mountain Iron Public Utilities.

It was moved by Zupancich and seconded by Tuomela to accept the recommendation of the Public Health and Safety Board and accept the resignations of Mr. Buller and Mr. Strong from the Mountain Iron Fire Department. The motion carried with Prebeg absent.

It was moved by Roskoski to authorize City Staff to advertise for up to three firefighters through the internet, public access television, the Mesabi Daily News, the Manney Shopper, and the Hometown Focus as many times as Staff feels it is necessary. The motion failed for lack of second.

It was moved by Zupancich and seconded by Tuomela to authorize City Staff to advertise for up to three firefighters through the internet, public access television, and the Hometown Focus for the next two weeks. The motion carried with Prebeg absent.

The following liaison reports were given:

- Library Report. Councilor Tuomela reported on usage for the month of July 2011.
- Economic Development Authority. Councilor Zupancich reported that the EDA had approved a loan for Sears to complete some remodeling work. He also said that Silicon Energy requested that some landscaping work be completed by their facility. He said that the EDA is looking at a long range plan for landscaping in the Energy Park area. The EDA also denied Fairview Clinic another extension to their development agreement and their agreement would sunset on August 31, 2011.
- Planning and Zoning Commission. Councilor Zupancich said that a resident was at the meeting requesting clarification on accessory buildings in Unity Addition. Also, they are finalizing the Rental Ordinance for the Council approval.

It was moved by Roskoski and seconded by Tuomela to authorize City Streets to be blocked off, as requested, on August 12th and 13th for the 2011 Merritt Days Celebration, (a copy is attached and made a part of these minutes). The motion carried with Prebeg absent.

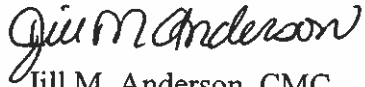
It was moved Zupanich and seconded by Tuomela to approve the Special Events Permit for the Sawmill Saloon for a “Sawmill Summer Jam” event to be held on August 20, 2011. The motion carried with Prebeg absent.

It was moved by Zupancich and seconded by Tuomela to authorize Mac’s Bar, Inc. to serve on-sale alcohol at the Mountain Iron Community Center for a wedding reception on September 17, 2011. The motion carried with Prebeg absent.

The Mayor noted the letter received from Lynn Pohia thanking the City Council for placing

At 6:49 p.m., it was moved by Skalko and seconded by Tuomela that the meeting be adjourned. The motion carried with Prebeg absent.

Submitted by:



Jill M. Anderson, CMC
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. Lynn Pohia, a thank you for placing a portable rest room at the South Grove Park.

Summary By Category And Distribution

Category	Distribution	Amount
CAMPGROUND RECEIPTS	FEES	4,610.00
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	36.50
CD INTEREST	CD INTEREST 101	24.26
CD INTEREST	CD INTEREST 378	1,528.57
CD INTEREST	CD INTEREST 602	348.21
CD INTEREST	CD INTEREST 603	525.26
PERMITS	BUILDING	797.00
UTILITY	UTILITY	94,929.23
MISCELLANEOUS	SPEC. EVENT-FUNDS NOT USED-CR	166.00
PERMITS	VENDOR	50.00
MISCELLANEOUS	ASSESSMENT SEARCHES	50.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	400.00
BUILDING RENTALS	COMMUNITY CENTER	120.00
MISCELLANEOUS	BASEBALL/SOFTBALL FEES	425.00
MISCELLANEOUS	REIMBURSEMENTS	23,540.50
METER DEPOSITS	ELECTRIC	650.00
FINES	CRIMINAL	1,453.42
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	108.47
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	33,838.04
INTERGOVERNMENTAL REVENUE	LOCAL GOVERNMENT AID	578,134.00
MISCELLANEOUS	CABLE TV FRANCHISE FEE	6,398.16
Summary Totals:		<u>748,132.62</u>

Check Issue Date(s): 07/30/2011 - 08/12/2011

Report Criteria:

Check Check No = 141281-141356

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
08/11	08/01/2011	141281	130024	MINNESOTA POLLUTION CONTROL AG	602-20200	1,240.00
08/11	08/10/2011	141282	10064	A B E ENVIRONMENTAL SYSTEMS	101-20200	788.00
08/11	08/10/2011	141283	8009	AL PHILLIPS	101-20200	350.00
08/11	08/10/2011	141284	5007	ASSURANT EMPLOYEE BENEFITS	604-20200	735.69
08/11	08/10/2011	141285	20048	BARNES DISTRIBUTION	604-20200	475.43
08/11	08/10/2011	141286	20022	BENCHMARK ENGINEERING INC	601-20200	14,571.50
08/11	08/10/2011	141287	20014	BORDER STATES ELECTRIC SUPPLY	604-20200	4,967.35
08/11	08/10/2011	141288	30017	CARQUEST (MOUNTAIN IRON)	101-20200	165.39
08/11	08/10/2011	141289	8005	CHRIS COOMBE	101-20200	250.00
08/11	08/10/2011	141290	220003	CITY OF VIRGINIA	101-20200	7,400.00
08/11	08/10/2011	141291	30045	CONSTRUCTION BULLETIN MAGAZINE	301-20200	147.00
08/11	08/10/2011	141292	30059	CVAR, THOMAS	101-20200	100.00
08/11	08/10/2011	141293	30072	CW TECHNOLOGY	301-20200	1,375.50
08/11	08/10/2011	141294	8011	DERRICK KINNEY	101-20200	1,500.00
08/11	08/10/2011	141295	40014	DUSTCOATING INC	101-20200	300.00
08/11	08/10/2011	141296	500012	ERA LABORATORIES INC	602-20200	497.80
08/11	08/10/2011	141297	60026	FASTENAL COMPANY	101-20200	271.71
08/11	08/10/2011	141298	60029	FERGUSON ENTERPRISES INC	101-20200	203.04
08/11	08/10/2011	141299	60038	FLEET SERVICES	101-20200	1,217.94
08/11	08/10/2011	141300	60042	FLUID-TECH	101-20200	2,107.36
08/11	08/10/2011	141301	70035	G & K SERVICES	101-20200	53.79
08/11	08/10/2011	141302	70016	GOPHER STATE ONE CALL INC	604-20200	34.80
08/11	08/10/2011	141303	70004	GRANDE ACE HARDWARE	604-20200	36.27
08/11	08/10/2011	141304	70028	GREATER MINNESOTA AGENCY INC	101-20200	204.00
08/11	08/10/2011	141305	70029	GUARDIAN PEST CONTROL INC	101-20200	77.91
08/11	08/10/2011	141306	70009	GULBRANSON EXCAVATING CO	604-20200	8,255.00
08/11	08/10/2011	141307	80022	HAWKINS INC	602-20200	509.29
08/11	08/10/2011	141308	80001	HILLYARD/HUTCHINSON	101-20200	1,086.50
08/11	08/10/2011	141309	8008	JASON GELLERSTEDT	101-20200	600.00
08/11	08/10/2011	141310	8010	JESSE WHITE	101-20200	500.00
08/11	08/10/2011	141311	100023	JIM'S CLEANING	101-20200	240.00
08/11	08/10/2011	141312	8003	KYLE ELSNER	101-20200	200.00
08/11	08/10/2011	141313	120006	L & M SUPPLY	101-20200	5,000.00
08/11	08/10/2011	141314	120005	LEAGUE OF MN CITIES INS TRUST	101-20200	155.00
08/11	08/10/2011	141315	120035	LENCI ENTERPRISES INC	301-20200	5,000.00
08/11	08/10/2011	141316	130030	MACQUEEN EQUIPMENT	603-20200	98.93
08/11	08/10/2011	141317	8092	MATT RAY & THOSE DAMN HORSES	101-20200	350.00
08/11	08/10/2011	141318	130041	MESABI BITUMINOUS	101-20200	451.12
08/11	08/10/2011	141319	130093	MESABI RANGE COMMUNITY	101-20200	1,400.00
08/11	08/10/2011	141320	130109	METRO FIRE	101-20200	942.58
08/11	08/10/2011	141321	130009	MINNESOTA POWER (ALLETE INC)	101-20200	42,397.87
08/11	08/10/2011	141322	130086	MN RURAL WATER ASSOCIATION	601-20200	200.00
08/11	08/10/2011	141323	140047	NARDINI FIRE EQUIPMENT CO INC	101-20200	779.13
08/11	08/10/2011	141324	8001	NICOLE BERG	101-20200	60.00
08/11	08/10/2011	141325	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	46,958.33
08/11	08/10/2011	141326	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	188.11
08/11	08/10/2011	141327	140050	NORTHWEST ASPHALT MAINTENANCE	101-20200	25,000.00
08/11	08/10/2011	141328	140008	NORTRAX EQUIPMENT/POWERPLAN	101-20200	23.39
08/11	08/10/2011	141329	8007	PEDAL TO THE METAL	101-20200	545.00
08/11	08/10/2011	141330	180046	RETROFIT RECYCLING INC	603-20200	367.38
08/11	08/10/2011	141331	809	RON EBNET	101-20200	350.00
08/11	08/10/2011	141332	190072	SAINT LOUIS COUNTY AUDITOR	101-20200	330.00
08/11	08/10/2011	141333	8006	SAM PAPIN	101-20200	170.00
08/11	08/10/2011	141334	190003	SARANEN AUTO	101-20200	38.35

M = Manual Check, V = Void Check

Check Issue Date(s): 07/30/2011 - 08/12/2011

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
08/11	08/10/2011	141335	190001	SEARS COMMERCIAL CREDIT	604-20200	106.86
08/11	08/10/2011	141336	190089	SELL HARDWARE INC	101-20200	142.48
08/11	08/10/2011	141337	190010	SEPPI BROTHERS	101-20200	747.30
08/11	08/10/2011	141338	190045	SERVICE SOLUTIONS	101-20200	22.34
08/11	08/10/2011	141339	190004	SKUBIC BROS INC	604-20200	79.81
08/11	08/10/2011	141340	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	39,500.00
08/11	08/10/2011	141341	1152	ST LOUIS COUNTY PHHS	604-20200	.50
08/11	08/10/2011	141342	806	STEVE HEINRICH	101-20200	425.00
08/11	08/10/2011	141343	8002	SUSAN HENDRICKSON	101-20200	200.00
08/11	08/10/2011	141344	812	T & E CONCERT SERVICE	101-20200	2,000.00
08/11	08/10/2011	141345	200003	TACONITE TIRE SERVICE	603-20200	1,626.81
08/11	08/10/2011	141346	200020	THE TRENTI LAW FIRM	101-20200	4,466.14
08/11	08/10/2011	141347	8004	TINA SMITH	604-20200	45.41
08/11	08/10/2011	141348	200036	TRITEC OF MINNESOTA INC	101-20200	534.38
08/11	08/10/2011	141349	200009	TROPHY SHOP	101-20200	433.91
08/11	08/10/2011	141350	210001	UNITED ELECTRIC COMPANY	101-20200	3,705.02
08/11	08/10/2011	141351	220014	VIKING INDUSTRIAL NORTH	101-20200	409.90
08/11	08/10/2011	141352	220026	VIRGINIA HOME CENTER	101-20200	10.76
08/11	08/10/2011	141353	220020	VISA OR AMERICAN BANK CC PMT	101-20200	9,692.20
08/11	08/10/2011	141354	230030	WATER CANNON INC	101-20200	332.42
08/11	08/10/2011	141355	240001	XEROX CORPORATION	604-20200	600.53
08/11	08/11/2011	141356	120053	LAURENTIAN ENERGY AUTH. LLC	301-20200	248,795.00

Totals:

495,143.23

Payroll-PP Ending 8/5/11

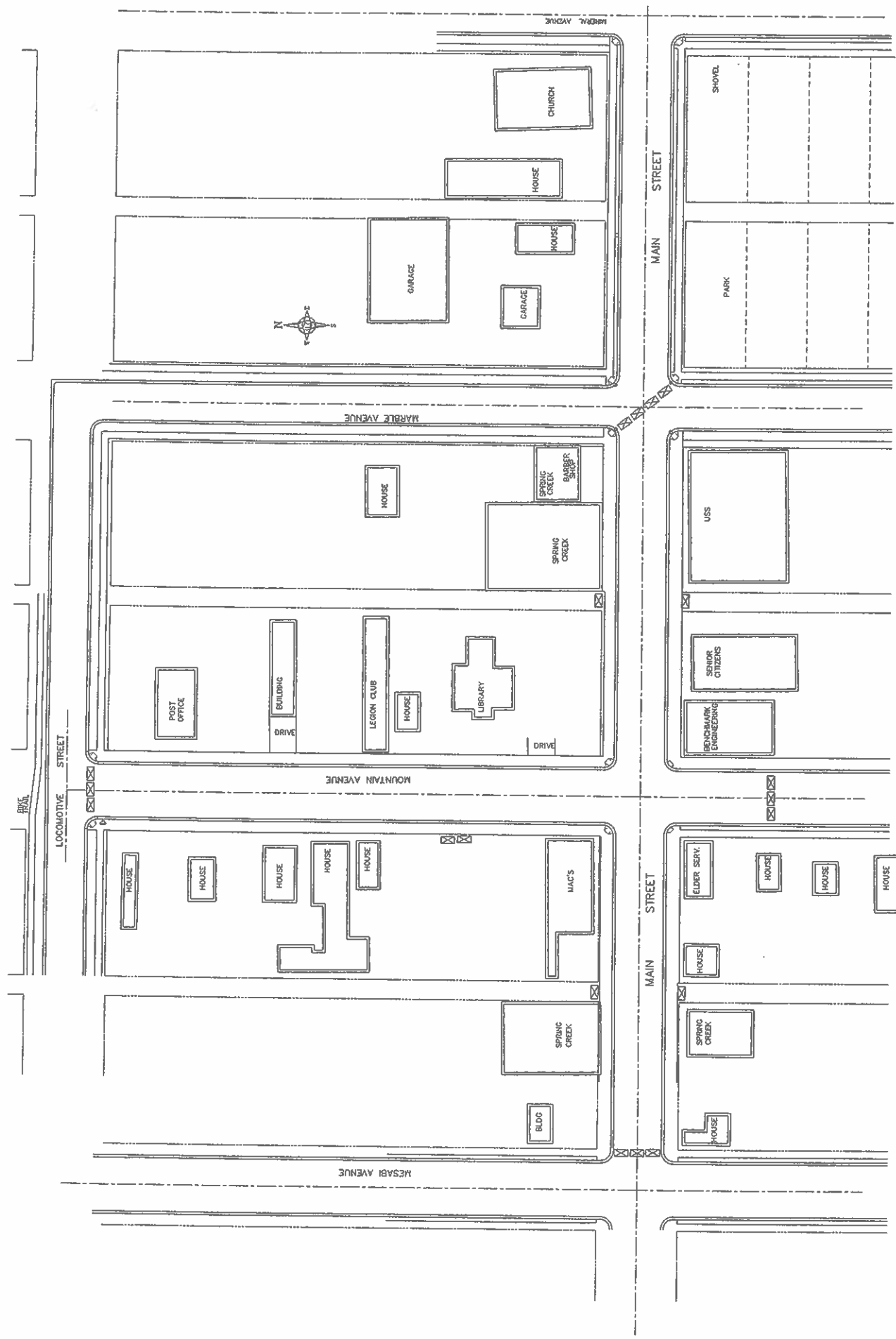
66,699.47

Electronic Trans.-Sales Tax 8/19

15,151.10

TOTAL EXPENDITURES

\$576,993.80



☒ BARRICADES

COUNCIL LETTER 082311-IVB1

ADMINISTRATOR

STATE AUDITOR

DATE: August 18, 2011

FROM: Craig J. Wainio
City Administrator

As part of the investigation the City is required by Statute to report the alleged malfeasance to the State Auditor. Attached is the correspondence stating that the State Auditor will not be taking any further action. This is due to some changes that Staff has made, changes that will be recommended in the future and providing the Council some information on internal controls which is included in your packet.

Craig J. Wainio

From: Terrilyn Diamond [Terrilyn.Diamond@osa.state.mn.us]
Sent: Wednesday, August 10, 2011 10:00 AM
To: Craig J. Wainio
Subject: City of Mountain Iron

Dear City Administrator Wainio,

Thank you for providing information regarding City purchases by a Public Works employee that may have been for personal use. The Office of the State Auditor will not be taking further action on this matter.

Sincerely,

Terrilyn Diamond
Attorney
Office of the State Auditor
525 Park Street, Suite 500
St. Paul, Minnesota 55103
(651) 297-7108

PLEASE NOTE: My email address has changed. Please use Terrilyn.Diamond@osa.state.mn.us to contact me.

The Office of the State Auditor does not provide legal advice or representation. If you need legal advice, consult with your attorney.

Caution: This e-mail may contain CONFIDENTIAL information or information protected by state or federal law. If you have received this e-mail by mistake, please do not read, distribute, or reproduce it (including any attachments). Please notify us immediately by return e-mail, and then delete it from your system. Thank you.



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA OFFICE OF THE STATE AUDITOR

SUITE 500
525 PARK STREET
SAINT PAUL, MN 55103-2139

(651) 296-2551 (Voice)
(651) 296-4755 (Fax)
state.auditor@state.mn.us (E-mail)
1-800-627-3529 (Relay Service)

Statement of Position The Importance of Internal Controls

Internal controls are designed to protect a local government unit from loss or misuse of its assets. Internal controls also ensure that all transactions are properly authorized and the information contained in financial reports is reliable.

This Statement of Position will provide public officials and employees with practical answers to some of the questions most frequently asked about internal controls.

What is the purpose of internal controls?

Internal controls help safeguard funds, provide efficient and effective management of assets, and permit accurate financial accounting. Internal controls cannot eliminate all errors and irregularities, but they can alert management to potential problems.

How much will this cost?

The cost of internal controls should never exceed their expected benefit. When adopting policies and procedures on internal controls, maintain a balance between what is needed to ensure public confidence and to maintain the integrity of the financial systems with the cost of providing the control in terms of money, time, and efficiency. Many simple and cost-effective internal control procedures are available.

Does someone need to review every transaction?

No. It is not practical or profitable to attempt to independently review every transaction. Instead, management should be alert to "red flags" that could indicate potential problems. Looking into "red flags" will not only detect irregularities, it will prevent them from occurring in the first place because an environment of accountability will have been established.

What are some "red flags"?

When an alert is raised, follow-up is critical. Too often we see "red flags" continue unabated long after they were first detected and reported. Here are some examples that would merit further review:

- Any unusual discrepancy between actual performance and anticipated results (for example, a major budget overrun in "supplies" or an unexplained decline in user fees);
- Receipts not matching deposits;

Reviewed: December 2010

Revised: March 2007

2007-1010

This Statement of Position is not legal advice and is subject to revision.

An Equal Opportunity Employer

- Disbursements to unknown and/or unapproved vendors;
- One signature on checks or presigned blank checks;
- Gaps in receipt or check numbers;
- Late reports; or
- Disregard for internal control policies and procedures.

What types of control policies and procedures should be implemented?

The control policies should be adequate to ensure that:

- All transactions are properly authorized;
- Incompatible duties are segregated;
- Accounting records and documentation are properly designed and maintained;
- Access to both assets and records is controlled; and
- Accounting data are periodically compared with the underlying items they represent.

Extra care needs to be taken where cash transactions are involved (for example, liquor stores, park and recreation programs, or petty cash funds).

What does it mean to segregate incompatible duties?

Simply put, no employee should be in a position to commit an irregularity and then conceal it. An example taken from everyday life is a movie theater where one person sells tickets and another person collects the tickets. This helps prevent the person selling the tickets from: (1) collecting the price of the ticket, but allowing entry without a ticket (allowing the ticket seller to pocket the ticket payment without being detected); or (2) allowing entrance without the purchase of a ticket.

Duties can be segregated by department or by individual. Examples of incompatible duties that should be performed by separate individuals are:

- Receipting collections, posting collections to registers, and making bank deposits;
- Signing checks and reconciling the bank accounts;
- Receipting collections and posting collections to the accounts receivable records; and
- Approving receivable write-offs/write-downs and posting adjustments to the accounts receivable records, adjusting accounting codes, and reviewing the monthly detailed report of receipts and disbursements for accuracy.

What if we are too small to be able to segregate duties?

If it is not practical to segregate duties, management should be aware of the lack of segregation and implement oversight procedures to ensure that employees are following other internal control policies and procedures. In addition, management may want to implement other controls. For example, a mandatory vacation policy or periodic rotation of duties among employees would allow management to observe if there is any noticeable change (for example, a marked increase in cash receipts) while another person is performing the duties. These alternative controls also help lessen potential disruptions caused by employee turnover.

Do some statutes require internal control procedures?

Yes. For example, the statutory requirement that more than one person must sign a check is designed to ensure a deliberate decision about who to pay, how much to pay, and when to pay bills. Pre-signing checks and signature stamps defeat those controls. Statutory requirements should be incorporated in the internal control policies and procedures.

What sort of accounting documentation is needed?

Accounting records need to be complete. Key documents (for example, invoices, receipts, checks) should be sequentially numbered. Voided documents should be retained. Record retention schedules should be followed. Employee timesheets should be reviewed and countersigned by a supervisor or other third-party.

How do we “compare accounting data with the items represented”?

Bank statements should be routinely reconciled with the cash balances recorded in the books of the account. Check amounts should be compared with the claims approved, as recorded in the minutes. Any differences should be reconciled and documented. An annual inventory of fixed assets will ensure that all recorded items are still in custody. Similar checks can be made of other accounts (for example, petty cash counts). Explanations of discrepancies should be corroborated by supporting documentation and evidence.

Do we have to write down our procedures?

Proper documentation of control procedures is essential. Written policies and procedures outline the specific authority and responsibility of individual employees, providing for accountability. Written policies serve as a reference and training tool for new employees and ensure that procedures remain in place despite employee turnover. To be effective, an accounting policies and procedures manual must be complete, up-to-date, and readily available to all employees who need it.

Who is responsible for internal controls?

The governing body (county commissioners, city councils, and town boards.) and management are responsible for establishing and maintaining internal controls. The governing body sets the tone, educates employees about the importance of internal controls, and provides funding to implement the controls. The governing body must ensure that internal controls remain a top management priority. Management is responsible for evaluating the effectiveness of internal controls on an on-going basis. Even the best-designed internal controls cannot be effective without the active involvement of management. Management can develop a favorable control environment by setting a positive tone, communicating to all employees the importance of internal controls, and taking appropriate action against staff who are not complying with approved internal control policies and procedures. Management should also encourage staff to communicate situations not addressed by the policies and procedures, so that policies and procedures may be adopted as necessary. Finally, management should try to make employees feel comfortable when reporting potential wrongdoing or violations of policies and procedures.



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

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

August 17, 2011

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

Re: City of Mountain Iron, MN
WWTF Aeration System Improvements
Project No. MI10-06

Dear Mr. Wainio:

Enclosed please find Pay Request No. 5 for the City of Mountain Iron Wastewater Treatment Facility Aeration System Improvements project in the amount of **\$6,669 .01** for approval at your next scheduled City Council meeting. This payment is for work completed through July 31, 2011. Please refer to the enclosed pay request breakdown for a summary of items completed.

Please sign the applications for payment. Keep one copy for your records and return the rest to our office.

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

Sincerely,
Benchmark Engineering, Inc.



Alan J. Johnson, P.E.

Enclosures

pc: Mr. Mark Magney, Magney Construction, Inc.

Application for Payment No. 5

To: The City of Mountain Iron

From: Magney Construction, Inc., 1401 Park Road, Chanhassen, MN 55317

Contract: _____

Project: Wastewater Treatment Facility - Aeration System Improvements

Owners Contract No. _____ Engineer's Project No. 002540-10001-0
Date of this Invoice: 8/1/2011
Invoice Work Period: 7/1/11 - 7/31/11

1) Original Contract Price:		<u>\$290,400.00</u>
2) Net Change by Change Order/Written Amendments (-/+)		<u>\$0.00</u>
3) Current Contract Price (1+2):		<u>\$290,400.00</u>
4) Total Completed and stored to date:		<u>\$276,015.50</u>
5) Retainage (per Agreement):		
<u>5.00%</u> of completed work		<u>\$13,800.75</u>
<u>0.00%</u> of stored material:		<u>\$0.00</u>
Total retainage:		<u>\$13,800.75</u>
6) Total Completed and stored to date less retainage (4-5)		<u>\$262,214.75</u>
7) Less Previous Application for Payments:		<u>\$255,545.74</u>
8) DUE THIS APPLICATION		<u>\$6,669.01</u>

Accompanying Documentation: _____

CONTRACTOR'S Certification:

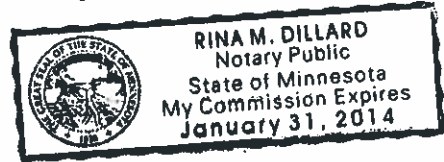
The undersigned CONTRACTOR certifies that (1) all previous progress payments received from OWNER on account of work done under the Contract referred to above have been applied on account to discharge CONTRACTOR'S legitimate obligations incurred in connection with Work covered by prior Applications for Payment numbered 1 through 1 inclusive; (2) title of all work, materials and equipment incorporated in said Work otherwise listed in or covered by this Application for Payment will pass to OWNER at time of payment free and clear of all Liens, security interest or encumbrance (except such as are recovered by a Bond acceptable to OWNER indemnifying OWNER against any such Lien, security interest or encumbrance); and (3) all Work covered by this Application for Payment is in accordance by the Contract Documents and not defective.

Dated: 8/1/2011

By: Magney Construction, Inc. (Contractor), 


State of MN County of Hennepin
Subscribed and sworn to before me this 17th day of Aug. 2011

Notary Public Rina M. Dillard
My Commission Expires: Jan. 31, 2014



Payment of the above AMOUNT DUE THIS APPLICATION is recommended.

Owner: _____
By: _____
Date: _____

Engineer: Alan J. Johnson
By: 
Date: 8/17/11

Magney Construction, Inc.
Schedule of Values: Wastewater Treatment Facility - Aeration System Improvements
Application No. 5

Date of Application: 8/1/2011
 Work Complete Through: 7/31/2011

Spec.	Description	Scheduled Value	Previous Application	This Application	Stored Material	Completed & Stored To Date	Pct. Compl.	Balance to Finish
01 10 00	Mobilization	\$12,133	\$12,133	\$0	\$0	\$12,133	100%	\$0
01 10 10	General Conditions	\$27,242	\$27,242	\$0	\$0	\$27,242	100%	(\$0)
02 41 19	Demolition	\$17,497	\$17,497	\$0	\$0	\$17,497	100%	(\$0)
03 30 10	Concrete	\$2,716	\$2,716	\$0	\$0	\$2,716	100%	\$0
05 50 00	Metals	\$5,633	\$5,633	\$0	\$0	\$5,633	100%	\$0
07 21 00	Insulation	\$7,020	\$0	\$7,020	\$0	\$7,020	100%	\$0
26 24 19	Electrical - Motor Controls	\$40,630	\$40,630	\$0	\$0	\$40,630	100%	(\$0)
40 05 10	Process Pipe and Valves	\$54,275	\$52,894	\$0	\$0	\$52,894	97%	\$1,381
40 95 13	Supervisory Control System							
44 10 11	Positive Displacement Blowers	\$57,304	\$57,304	\$0	\$0	\$57,304	100%	\$0
44 45 17	Fine & Coarse Bubble Diffusers	\$38,049	\$38,049	\$0	\$0	\$38,049	100%	\$0
40 95 13	Dissolved Oxygen Probe - Alternate No. 2	\$12,000	\$12,000	\$0	\$0	\$12,000	100%	\$0
	Unit Prices							
	Grit, Sand, & Debris Removal from Tanks	\$8,250	\$1,513	\$0	\$0	\$1,513	18%	\$6,737
	Additional Fittings for Flanged DIP	\$3,000	\$1,384	\$0	\$0	\$1,384	46%	\$1,616
	Restoration of Horizontal Concrete Surfaces	\$1,125	\$0	\$0	\$0	\$0	0%	\$1,125
	Restoration of Vertical Concrete Surfaces	\$1,125	\$0	\$0	\$0	\$0	0%	\$1,125
	Restoration of Overhead Horizontal Concrete Surfaces	\$900	\$0	\$0	\$0	\$0	0%	\$900
	Concrete Crack Repair	\$1,500	\$0	\$0	\$0	\$0	0%	\$1,500
Totals		\$290,400	\$268,995	\$7,020	\$0	\$276,015	95%	\$14,385



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

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

August 17, 2011

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

Re: City of Mountain Iron, MN
Gravel Access Road Improvements
Project No. MI10-07

Dear Mr. Wainio;

Enclosed please find Pay Request No. 4 for the Gravel Access Road Improvements project in the amount of **\$6,270.00**, for approval at your next scheduled City Council meeting. This amount includes withholding retainage on work completed to date.

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

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

Sincerely,
Benchmark Engineering, Inc.



Alan J. Johnson, P.E.

Enclosure

Pc: Mr. Matt Jamnick, Mesabi Bituminous Inc.

RECOMMENDATION OF PAYMENT

No. 4

Owner's Project No.: _____

Engineer's Project No.: MI10-07

Project: GRAVEL ACCESS ROAD IMPROVEMENTS

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

For Period Ending: August 17, 2011

To: City of Mountain Iron
Owner

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

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

BENCHMARK ENGINEERING, INC.

Dated: August 17, 2011

By _____



STATEMENT OF WORK

Original Contract Price	\$ <u>112,304.50</u>	Work & Materials to Date	\$ <u>136,215.75</u>
Net Change Orders	\$ <u>25,311.25</u>	Amount Retained	\$ <u>6,810.80</u>
Current Contract Price	\$ <u>137,615.75</u>	Subtotal	\$ <u>129,404.95</u>
		Previous Payments	\$ <u>123,134.95</u>
		Amount Due this Payment	\$ <u>6,270.00</u>



August 17, 2011

PAY REQUEST #4
GRAVEL ROADWAY IMPROVEMENTS - DOWNTOWN MT. IRON ADJACENT TO RAILROAD SIDING
PROJECT NO.: MI10-07

PROJECT COSTS

SPEC. NO.	ITEM DESCRIPTION	UNIT	ESTIMATED QUANTITY	UNIT PRICE	TOTAL QUANTITY	TOTAL AMOUNT
2021.601	RR INSURANCE	LUMP SUM	1.0	\$8,250.00	1.0	\$8,250.00
2104.501	REMOVE CONC. CURB & GUTTER	LIN. FT.	24.0	\$10.00	40.0	\$400.00
2104.503	REMOVE CONCRETE SIDEWALK	SQ. FT.	103.0	\$1.50	220.0	\$330.00
2104.521	SALVAGE FENCE	LIN. FT.	20.0	\$20.00	43.0	\$860.00
2104.601	SUBGRADE PREPARATION	LUMP SUM	1.0	\$1,500.00	1.0	\$1,500.00
2105.501	COMMON EXCAVATION (PV)	CU. YD.	1,600.0	\$8.50	2,411.0	\$20,493.50
2105.603	CONSTRUCT DRAINAGE DITCH	LIN. FT.	1,000.0	\$8.00	440.0	\$3,520.00
2105.604	GEOTEXTILE FABRIC TYPE V	SQ. YD.	4,800.0	\$1.25	6,489.0	\$8,111.25
2211.502	AGGREGATE BASE (LV) CLASS V	CU. YD.	5,075.0	\$11.00	6,899.0	\$75,889.00
2506.522	ADJUST FRAME & RING CASTING	EACH	3.0	\$200.00	5.0	\$1,000.00
2531.501	CONCRETE CURB AND GUTTER, DES. B618	LIN. FT.	24.0	\$30.00	40.0	\$1,200.00
2531.507	7" CONCRETE DRIVEWAY PAVEMENT (REINFORCED)	SQ. YD.	12.0	\$80.00	24.4	\$1,952.00
2563.601	TRAFFIC CONTROL	LUMP SUM	1.0	\$750.00	1.0	\$750.00
2563.61	FLAG PERSON	hour	120.0	\$100.00	0.0	\$0.00
2573.502	SILT FENCE PREASSEMBLED	LIN. FT.	210.0	\$4.50	0.0	\$0.00
2573.512	TEMPORARY DITCH CHECK TYPE 2	LIN. FT.	80.0	\$4.50	0.0	\$0.00
2573.602	TEMPORARY ROCK CONSTRUCTION ENTRANCE	EACH	2.0	\$500.00	0.0	\$0.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	1.0	\$1,000.00	0.0	\$0.00
	CO #1 - FENCING	LUMP SUM	1.0	\$5,360.00	1.0	\$5,360.00
	CO #3 -CN GRADING (EXTRA WORK)	LUMP SUM	1.0	\$8,000.00	0.825	\$6,600.00

COMPLETED TO DATE: \$136,215.75
 LESS RETAINAGE: (\$6,810.80)
 SUBTOTAL PAY REQUEST #4: \$129,404.95
 LESS PREVIOUS PAYMENTS: \$123,134.95

TOTAL PAY REQUEST #4: **\$6,270.00**

Benchmark Engineering, Inc.

**MOUNTAIN IRON UTILITY ADVISORY BOARD
MINUTES
TUESDAY, AUGUST 9th, 2011**

The meeting was called to order at 3:58 p.m. by Chairperson Renzaglia. Members present: Reynold Renzaglia, Susan Tuomela, Joe Matanich, Kevin Squillace and Bruce Peterson. Members absent: none. Others present: Craig Wainio, City Administrator, Judy Seurer, Accounting Technician and City Council Liaison Joe Prebeg.

Gary Swanson and Peter Liska from Energy Management Solutions, Inc. were present to discuss their proposal to provide Conservation Improvement Program management services to the City. Mr. Swanson explained that there is a State mandate for electric utilities to save 1.5% of their retail energy sales. Their company provides services to help utilities reach that goal. The Board discussed different ways that the energy savings goal would be achieved with the representatives from EMS.

It was moved by Renzaglia and supported by Matanich to recommend to the City Council that they approve an agreement with Energy Management Solutions, Inc. to provide conservation Improvement Program management services to the City as presented in the proposal (a copy of which is attached and made a part of these minutes). The motion carried unanimously.

The Board was updated on the progress being made concerning the power outages occurring in the City. Virginia Public Utilities was contacted to discuss the outages. They have put their recloser back into normal operation. This has resulted in better service. The City Administrator reported that Virginia is having a study done of their distribution system and we will be trying to coordinate with that study. He also stated that we are looking at ways of identifying problem areas in our system, possibly with an infrared camera.

At 4:38 p.m., it was moved by Peterson and supported by Squillace to adjourn the meeting. The motion carried and the meeting was adjourned.

Submitted by,

Judy Seurer
Accounting Technician



*Using **Our** Energy to Save **Yours***

June 21, 2011

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

Subject: Proposal from Energy Management Solutions, Inc. for Conservation Improvement Program management services for the City of Mountain Iron.

Dear Mr. Kleinschmidt,

First and foremost, thank you for giving Energy Management Solutions, Inc. (EMS) the opportunity to work with The City of Mountain Iron in developing and administering a Conservation Improvement Program (CIP).

The following is an overview of the services EMS proposes to offer the City of Mountain Iron to help achieve the 1.5% energy savings required by the Office of Energy Security:

- Provide assistance for the City of Mountain Iron's current CIP program where needed: developing marketing materials, providing customer and staff training, processing rebates incentives, coordinating with the OES, and another assistance requested by THE CITY OF MOUNTAIN IRON.
- Work closely with the City of Mountain Iron representatives and customers directly: being available by telephone, through email correspondence and site visitation for commercial, industrial, multi-family/residential and agricultural customers regarding questions on energy conservation and efficiency.
- Perform on-site energy assessments for the City of Mountain Iron's commercial and industrial customers as needed, identifying and recommending energy efficiency and conservation measures.
- Process custom and prescriptive rebate applications providing the City of Mountain Iron commercial and industrial customers with incentives for implementing energy efficiency measures.
- Work with local contractors and distributors (electrical, mechanical, HVAC, architects, engineers, etc.) and develop relationships to help further promote the commercial/industrial portion of the City of Mountain Iron CIP program.

7935 Stone Creek Drive, Suite 140
Chanhassen, MN 55317
Phone: 952.767.7450 Fax: 952.767.7460 Email: contact@emsenergy.com

- Maintain a list (Excel spreadsheet format) for tracking savings, incentives, contacts and other information deemed appropriate by the City of Mountain Iron.
- Other duties as assigned and designated by the City of Mountain Iron.

EMS will have qualified and experienced staff members with engineering and professional business backgrounds available to perform all the above duties as well as any customized program requirements to best suit the needs of the City of Mountain Iron. The below charts provide estimates of the costs of performing the above services. The estimates are for illustration purposes only as EMS will bill the City of Mountain Iron only on the amount of time spent each month working with their customers.

Below you will find two proposed estimates for cost of services: one for the remainder of 2011 and for services in 2012. In order to meet the goal for 2011, EMS is proposing a start-up budget for the last 6 months of 2011 which will include higher activity with marketing, promotions, on-site visits, community relations and customer service.

EMS will bill the City of Mountain Iron monthly based on the number of hours worked each month and the direct expenses incurred on the last Friday of each month. The total annual amount billed will not exceed the proposed budgets.

Below you will find a proposed estimate for the cost of services in 2011 and 2012.

Cost of Services for Annual CIP 2011:

Proposed Budget 2011 - July 1 through December 31

Staff	Hourly Rate	Hours	Total
Principals	\$ 95.00	5	\$ 475.00
Senior	\$ 75.00	15	\$ 1,125.00
Junior	\$ 65.00	170	\$ 11,050.00
Admin	\$ 40.00	60	\$ 2,400.00
		Subtotal	\$ 15,050.00
		Materials	\$ 300.00
		Expenses	\$ 750.00
		Total Budget	\$ 16,100.00

Program Set up/Management (40%)	\$ 6,440.00
Rebate Processing/Assessments (60%)	\$ 9,660.00

Proposed Budget 2012 - January 1 through December 31

Staff	Hourly Rate	Hours	Total
Principals	\$ 95.00	5	\$ 475.00
Senior	\$ 75.00	15	\$ 1,125.00
Junior	\$ 65.00	100	\$ 6,500.00
Admin	\$ 40.00	55	\$ 2,200.00
Subtotal			\$ 10,300.00
Materials			\$ 300.00
Expenses			\$ 750.00
Total Budget			\$ 11,350.00

Program Management/Services (40%)	\$ 4,540.00
Rebate Processing/Assessments (60%)	\$ 6,810.00

Total 2010 kWh Sales	20,900,491
1.5% of Annual Sales (Goal)	313,507
Total CIP Budget (Est)	\$ 22,954
Total Annual EMS Budget	\$ 11,350
Cost per kWh Saved	\$ 0.036

Below is a simplified and estimated annual budget for your CIP. EMS put this together so you have a basic idea of where the individual programs that comprise CIP fit within the greater CIP.

City of Mountain Iron (Simplified) CIP Budget		
Revenue Collected for CIP	\$ 22,954	
Expenses (Annual)	\$	%
Administration	\$ 504	2%
HRA	\$ 1,000	4%
Education/Facility Assessments	\$ 4,540	20%
Process Rebates/Identify Projects	\$ 6,810	30%
Customer Rebates Provided	\$ 10,000	44%
Other Expenses	\$ 100	0%
	\$ 22,954	100%
Commercial Budget	\$ 18,850	82%
Residential Budget	\$ 3,500	15%
Administration	\$ 604	3%
	\$ 22,954	100%

Mr. Kleinschmidt, I hope this is sufficient information and I'm open to any changes or other suggestions/revisions you would like me to include in this letter. If you have any questions please do not hesitate to contact me. I will follow-up with you in the next week to discuss an in-person meeting and address any questions you may have.

EMS looks forward to helping the City of Mountain Iron achieve its CIP goals and save energy for its commercial and industrial customers.

Sincerely,

A handwritten signature in black ink, appearing to read "Matt Haley". The signature is fluid and cursive, with a long horizontal stroke at the end.

Matt Haley

C) 612-598-8743

E) mh@emsenergy.com



EMS CIP Performance

Year	Company	kWh Savings	Cost	\$/kWh
2008	Investor Owned Utilities	356,468,438	\$ 39,966,809	\$ 0.1121
2008	EMS Managed IOU	33,051,387	\$ 2,061,200	\$ 0.0624
2009	Investor Owned Utilities	370,259,928	\$ 46,472,657	\$ 0.1255
2009	EMS Managed IOU	34,014,680	\$ 2,299,831	\$ 0.0676
2009	Muni Average	58,000,039	\$ 5,774,157	\$ 0.0996
2009	Minnesota Power	39,671,210	\$ 2,449,875	\$ 0.0618

2008 - 2010 Spending Comparison for Munis

Year	Company	kWh Savings	Cost	\$/kWh
2008	Municipalities	45,762,622	\$ 4,799,512	\$ 0.1049
2008	Brainerd Public Utility	2,409,824	\$ 136,188	\$ 0.0565
2009	Municipalities	58,000,039	\$ 5,774,157	\$ 0.0996
2009	Brainerd Public Utility	2,313,247	\$ 130,023	\$ 0.0562
2010 Biennium	Municipalities	103,762,661	\$ 10,573,669	\$ 0.1019
2010	Virginia Public Utilities	1,159,942	\$ 69,303	\$ 0.0597
2010	Brainerd Public Utility	2,305,822	\$ 95,278	\$ 0.0413

EMS Customers in Yellow

Energy Management Solutions - Utility Conservation Program Management Performance

Minnesota Power - Conservation Improvement Program (Commercial and Industrial Programs)

Year	Goal (1.5% Savings)	# of Rebates Processed	C& I kWh Saved	Rebate \$ Paid	% of Goal	Cost/kWh
2008	33,000,000	499	33,051,387	\$ 1,570,903.25	100%	\$ 0.062
2009	33,000,000	550	34,014,680	\$ 1,452,243.21	103%	\$ 0.068
2010	38,000,000	664	39,671,210	\$ 1,642,321.49	104%	\$ 0.062

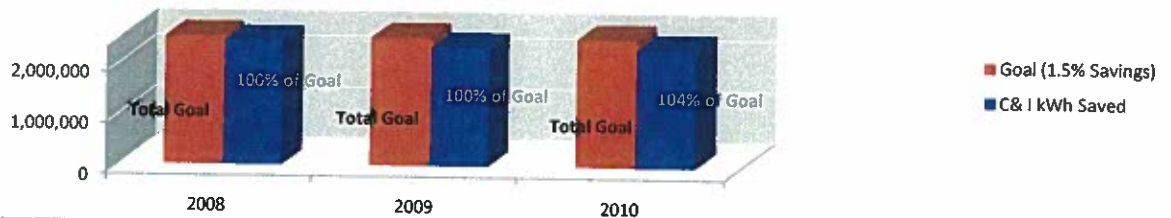
Brainerd Public Utilities - Conservation Improvement Program (Commercial and Industrial Programs)

Year	Goal (1.5% Savings)	# of Rebates Processed	C& I kWh Saved	Rebate \$ Paid	% of Goal	Cost/kWh
2008	2,300,000	58	2,409,824	\$ 102,107.00	105%	\$ 0.057
2009	2,300,000	23	2,313,247	\$ 97,382.00	101%	\$ 0.056
2010	2,300,000	29	2,305,882	\$ 68,315.00	100%	\$ 0.041

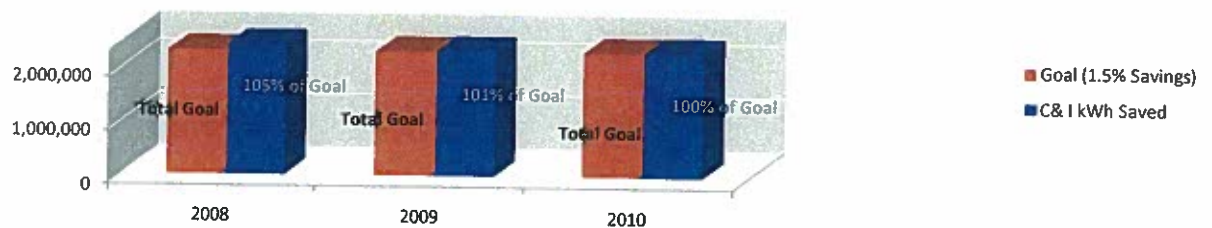
Virginia Public Utilities - Conservation Improvement Program (Commercial and Industrial Programs)

Year	Goal (1% Savings)	# of Rebates Processed	kWh Saved	Rebate \$ Paid	% of Goal	Cost/kWh
2010 (Aug-Dec)	1,090,000	11	1,159,942	\$ 50,756.06	106%	\$ 0.069

Minnesota Power - Conservation Improvement Program Performance 2008-2010



Brainerd Public Utilities - Conservation Improvement Program Performance 2008-2010



Virginia Public Utilities - Conservation Improvement Program Performance 2010 (from Aug to December)





UTILITY ENERGY MANAGEMENT SOLUTIONS

CLIENT PROFILE: MINNESOTA POWER

Commercial customers look to Minnesota Power as an authority on energy conservation. They trust the investor-owned electric utility to provide business energy analysis, project design assistance, unbiased product information, conservation rebates, and special incentives to encourage the use of innovative energy-saving technologies.

“(EMS) has a track record of excellent technical assistance and customer service. Businesses feel comfortable contacting them. We have exceeded our rebate goals for the past five years!”

Tim Gallagher, Minnesota Power

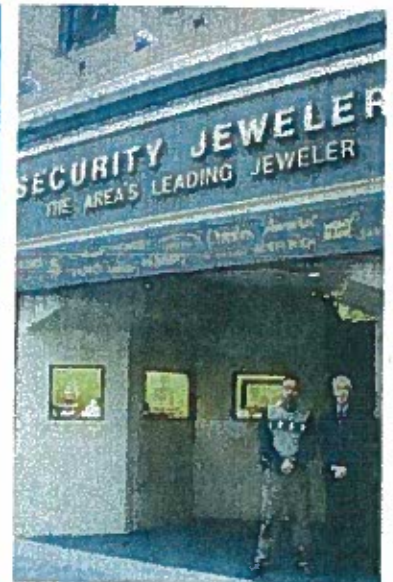
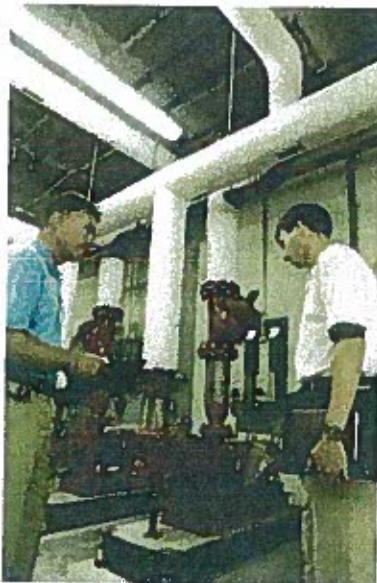
The experts at Energy Management Solutions (EMS) have helped Minnesota Power build this stellar reputation. EMS is the primary energy consultant and customer service provider for PowerGrant, the utility’s commercial, industrial, and agricultural energy conservation program. Over the past 17 years, EMS principals and energy

analysts have worked with thousands of Minnesota Power commercial customers, resulting in electricity savings of more than 200 million kilowatt-hours.

“(EMS Chief Executive Officer) Matt Haley and his associates are critical to our commercial-industrial energy conservation strategy,” said Tim Gallagher of Minnesota Power, who manages the PowerGrant program. “They do everything from energy audits and delivery of our rebates and incentives to measurement and verification, technology research, and building operator education.”

Minnesota Power entrusts EMS to deliver about 80 percent of its annual goals for kWh and kilowatt savings. Utility energy conservation goals are based in part on government mandates, so meeting them is serious business.

“There are definite consequences if we don’t achieve objectives for energy conservation; the State could impose financial penalties or deny approvals for new generation facilities,” Gallagher said, noting that lowering electric demand reduces the need for costly power plant construction, as well.



Left to Right: Matt Haley (right), CEO of EMS, inspects energy-efficient equipment installed during Black Bear Casino's major hotel expansion; Minnesota Power's Herbert Service Center is a research and demonstration site for energy-efficient lighting and lighting systems, and Tanuj Gulati (left), of EMS, helped Security Jewelers access Minnesota Power resources for an upgrade to energy-efficient lighting

Utility Energy Management Services

Project Commissioning

Energy Audits

Project Management

Measurement and Verification

Building Operator
& Staff Training

Facility Assessments

Rebate Project Development
& Administration

"It also makes good business sense to help our commercial customers use less energy, operate more efficiently, and stay competitive," Gallagher added. "Plus, it's simply the right thing to do."

EMS personnel act on Minnesota Power's behalf, traveling across Central and Northeast Minnesota, promoting the PowerGrant program, its incentives, and the benefits of energy conservation. They work directly with about 800 businesses per year, ranging from small family-owned companies to large manufacturers, hotels, casinos, hospitals, schools, and universities.

"We spend a lot of time talking to customers, vendors, contractors, and engineers, identifying energy-saving opportunities and seeing projects through to completion," said Matt Haley, CEO, EMS. "It takes the burden off of Minnesota Power and its staff."

"(EMS) has a track record of excellent technical assistance and customer service," Gallagher said. "Customers and people at Minnesota Power trust Matt Haley and his team to deliver sound, understandable technical information. Businesses feel comfortable contacting them about projects and PowerGrant incentives. We have exceeded our rebate goals for the past five years!"

EMS has conducted numerous research projects for Minnesota Power, proving the performance of technologies such as T8 and T5 fluorescent lighting, induction lighting, and light emitting diodes in commercial and institutional applications. A current study is exploring the value of commissioning, retrocommissioning, and recommissioning of facilities at the Duluth Entertainment and Convention Center (DECC), where a major expansion is occurring. Commissioning is a process that ensures all building systems are operating as intended by the building owner and as designed by architects and engineers. It involves detailed measurement and verification of performance data.

"There is a great deal of interest in high performance, energy-efficient products, systems and buildings," Gallagher said. "Minnesota Power is committed to energy conservation and pleased to have a partner like EMS researching technologies, educating customers, and connecting businesses to our program and its incentives. We're in it for the long haul."



EMS personnel visit hundreds of Minnesota Power commercial and industrial customers each year, identifying ways to help them save energy and operate more efficiently.





Our passion is to help organizations make real, lasting conservation improvements that optimize energy usage and reduce power consumption.

Our commitment is to educate and assist decision makers in their efforts to implement proven energy-saving strategies in their facilities and operations.

Our promise is to work tirelessly and diligently to help companies transform themselves into sustainable, socially responsible organizations, while strengthening their bottom lines.

our mission

Put your
commercial
and
industrial
customers
to work ...

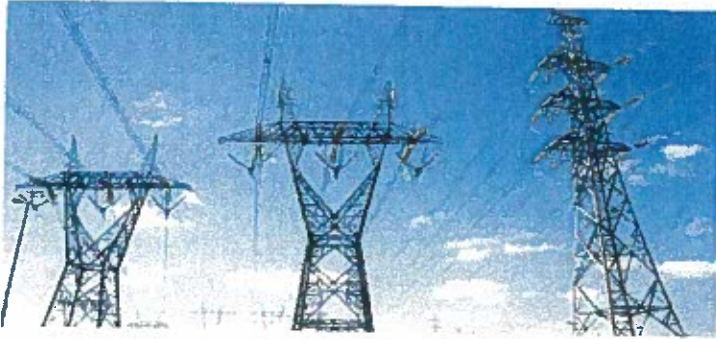
Saving energy

Reducing demand

Achieving your CIP goals



www.EMSenergy.com



The fastest, easiest way to reach Minnesota's new Conservation Improvement Program (CIP) energy-savings goal of 1.5% of retail energy sales is to mobilize your largest customers to use less energy.

Energy Management Solutions (EMS), Inc., offers a comprehensive suite of services to help utilities engage commercial and industrial customers in meaningful energy conservation – with minimal cost or loss of revenue to your utility.

- Rebate program development, administration and staffing
- Commercial/industrial energy auditing
- Conservation project identification and management
- Measurement and verification of energy savings
- Research and development initiatives to test energy-saving technologies
- Minnesota Office of Energy Security CIP filing and reporting

Saving energy makes good business sense for you and your customers ...

Lower operating costs

Reduced environmental impact

Healthier bottom line

Contact EMS today for a customized CIP program that works for your utility.



Using OUR Energy to Save YOURS

7935 Stone Creek Drive, Suite 140, Chanhassen, MN
Tel: 952.767.7450 Fax: 952.767.7450
email: contact@EMSener.com

Supply
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Energy Solutions

Price Risk
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Utility Energy
Management



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 18-11

ACCEPTING BID

WHEREAS, pursuant to an advertisement for bids for the improvement of Bluebell Avenue and Daffodil Avenue between the centerline of Unity Drive and the centerline of Jasmine Street by reconstruction or overlayment, bids were received, opened and tabulated according to law, and the following bids were received complying with the advertisement:

Mesabi Bituminous	\$123,968.00
-------------------	--------------

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

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

1. The Mayor and City Administrator are hereby authorized and directed to enter into the attached contract with Mesabi Bituminous of Gilbert, Minnesota in the name of the City of Mountain Iron for the improvement of Bluebell Avenue and Daffodil Avenue between the centerline of Unity Drive and the centerline of Jasmine Street by reconstruction or overlayment according to the plans and specifications therefore approved by the City Council and on file in the Office of the City Administrator.
2. The City Administrator is hereby authorized and directed to return forthwith to all bidders the deposits made with their bids, except that the deposits of the successful bidder and the next lowest bidder shall be retained until a contract has been signed.

DULY ADOPTED BY THE CITY COUNCIL THIS 23rd DAY OF AUGUST, 2011.

ATTEST:

Mayor Gary Skalko

City Administrator



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

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

August 18, 2011

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

Re: 2011 Street Improvements
City of Mountain Iron
Project No. MI11-06

Dear Mr. Wainio,

Bids were received on August 18, 2011 for the above referenced project. A total of one (1) bid was received and upon tabulation the low bidder for the project is Mesabi Bituminous, Inc. A copy of the bid tabulation is enclosed.

If the City of Mountain Iron intends to award at its August 23, 2011 City Council meeting, it is recommended that you award the bid to Mesabi Bituminous, Inc. in the amount of **\$123,968.00**.

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

Sincerely,
Benchmark Engineering, Inc.



Alan J. Johnson, P.E.

Enclosures

August 18, 2011



BID TABULATION
2011 STREET IMPROVEMENTS PROJECT
MOUNTAIN IRON, MINNESOTA
PROJECT NO.: M111-06

ITEM NO.	ITEM	UNITS	DAFFODIL AVENUE	BLUEBELL AVENUE	PROJECT QUANTITIES	ENGINEER'S ESTIMATE		TOTAL AMOUNT	MESABI BITUMINOUS	
						ITEM COST	TOTAL AMOUNT		ITEM COST	TOTAL AMOUNT
2104.501	REMOVE PIPE CULVERTS	LIN. FT.	29.0	137.0	166.0	\$5.00	\$830.00	\$8.00	\$1,328.00	
2104.505	REMOVE PAVEMENT	SQ. YD.	152.0	191.0	343.0	\$5.00	\$1,715.00	\$2.00	\$686.00	
2104.509	REMOVE VALVE BOX	EACH	4.0	1.0	5.0	\$100.00	\$500.00	\$150.00	\$750.00	
2104.511	SAWING PAVEMENT (FULL DEPTH)	LIN. FT.	268.0	246.0	514.0	\$4.00	\$2,056.00	\$4.00	\$2,056.00	
2105.501	COMMON EXCAVATION (PV)	CU. YD.	22.0	82.0	104.0	\$5.00	\$520.00	\$8.00	\$832.00	
2105.522	SELECT GRANULAR BORROW (CV)	CU. YD.	13.0	51.0	64.0	\$15.00	\$960.00	\$11.00	\$704.00	
2105.525	TOPSOIL BORROW (CV)	CU. YD.	4.0	8.0	12.0	\$20.00	\$240.00	\$25.00	\$300.00	
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	34.0	43.0	77.0	\$18.00	\$1,386.00	\$18.00	\$1,386.00	
2232.501	MILL BITUMINOUS PAVEMENT (2")	SQ. YD.	3083.0	2825.0	5908.0	\$2.00	\$11,816.00	\$2.25	\$13,293.00	
2301.501	CONCRETE PAVEMENT	SQ. YD.	44.0	98.0	142.0	\$32.00	\$4,544.00	\$33.50	\$4,757.00	
2301.511	STRUCTURAL CONCRETE	CU. YD.	8.0	17.0	25.0	\$150.00	\$3,750.00	\$130.00	\$3,250.00	
2301.529	REINFORCEMENT BARS (EPOXY COATED)	POUND	317.0	683.0	1000.0	\$3.00	\$3,000.00	\$1.65	\$1,650.00	
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	306.0	287.0	593.0	\$75.00	\$44,475.00	\$71.00	\$42,103.00	
2350.502	TYPE LV4 NON-WEARING COURSE MIXTURE (B)	TON	320.0	299.0	619.0	\$75.00	\$46,425.00	\$65.00	\$40,235.00	
2501.511	12" CP PIPE CULVERT	LIN. FT.	29.0	65.0	94.0	\$45.00	\$4,230.00	\$27.00	\$2,538.00	
2501.515	12" GS PIPE APRON	EACH	2.0	4.0	6.0	\$300.00	\$1,800.00	\$175.00	\$1,050.00	
2501.602	GS TRASH GUARD FOR 12" PIPE APRON	EACH	2.0	4.0	6.0	\$120.00	\$720.00	\$125.00	\$750.00	
2504.602	VALVE BOX	EACH	4.0	1.0	5.0	\$250.00	\$1,250.00	\$400.00	\$2,000.00	
2506.522	ADJUST FRAME AND RING CASTING	EACH	3.0	4.0	7.0	\$300.00	\$2,100.00	\$200.00	\$1,400.00	
2563.601	TRAFFIC CONTROL	LUMP SUM	0.5	0.5	1.0	\$2,000.00	\$2,000.00	\$1,500.00	\$1,500.00	
2575.505	SODDING TYPE LAWN	SQ. YD.	50.0	100.0	150.0	\$4.00	\$600.00	\$8.00	\$1,200.00	
2575.555	TURF ESTABLISHMENT	LUMP SUM	0.5	0.5	1.0	\$1,500.00	\$1,500.00	\$200.00	\$200.00	

BID TOTAL \$136,417.00

\$123,968.00

COUNCIL LETTER 082311-VIB

ADMINISTRATION

RESOLUTION NUMBER 19-11

DATE: August 18, 2011
FROM: Craig J. Wainio
City Administrator

Resolution Number 19-11 Adopts the assessment roll for the Old Highway 169 project which was completed in 2009. This resolution is an extension of the Public Hearing held prior to the City Council meeting. Based upon the hearing and if all is in agreement, it is recommended that the City Council adopt Resolution Number 19-11.



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RESOLUTION NUMBER 19-11

ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met and heard and passed upon all objections to the proposed assessment for Improvement Number MI09-07, the improvement of Old Highway 169 approximately from one mile west of the Costin Plat to the western city limits by overlayment.

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of ten years, the first of the installments to be payable on or before the first Monday in January 2012, and shall bear interest at the rate of eight percent per annum from the date of the adoption of this assessment Resolution. To the first installment shall be added interest on the entire assessment from the date of this Resolution until December 31, 2011. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of Mountain Iron, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this Resolution; and he/she may, at any time thereafter, pay to the City of Mountain Iron the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year.
4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

DULY ADOPTED BY THE CITY COUNCIL THIS 23rd DAY OF AUGUST, 2011.

ATTEST:

Mayor Gary Skalko

City Administrator

Old Highway 169

NAME		SEC./ BLOCK	DESC./ LOT	FRONT FOOTAGE	PARCEL CODE	PROJECT COST	ASSESSMENT RATE	ASSESSMENT AMOUNT	COST PER FOOT
USX		8	NE/SE	681	175-0070-00710	\$ 8,402.19	10.00%	\$ 840.22	\$ 1.23
USX		8	SE/SE	2966	175-0070-00770	\$ 36,594.58	10.00%	\$ 3,659.46	\$ 1.23
USX		8	SW/SE	1077	175-0070-00770	\$ 13,288.05	10.00%	\$ 1,328.81	\$ 1.23
USX		17	NW/NE	2451	175-0070-01880	\$ 30,240.49	10.00%	\$ 3,024.05	\$ 1.23
USX		17	NE/NW	814	175-0071-01860	\$ 10,043.15	10.00%	\$ 1,004.32	\$ 1.23
Beverly Ann Forstrom		17	NE/NW	117	175-0071-01850	\$ 1,443.55	10.00%	\$ 144.35	\$ 1.23
Maureen Pirjevec		17	NE/NW	757	175-0071-01870	\$ 9,339.88	10.00%	\$ 933.99	\$ 1.23
USX		17	SE/NW	215	175-0071-02010	\$ 2,652.67	10.00%	\$ 265.27	\$ 1.23
Steve Buria		17	SE/NW	200	175-0071-0220	\$ 2,467.60	10.00%	\$ 246.76	\$ 1.23
John and Anna Palo		17	SE/NW	334	175-0071-02055	\$ 4,120.90	10.00%	\$ 412.09	\$ 1.23
Betty P. Holmes		17	SE/NW	179	175-0071-02060	\$ 2,208.51	10.00%	\$ 220.85	\$ 1.23
Benjamin Ervin		17	SE/NW	100	175-0071-02056	\$ 1,233.80	10.00%	\$ 123.38	\$ 1.23
USX		17	SE/NW	404	175-0071-02010	\$ 4,984.56	10.00%	\$ 498.46	\$ 1.23
USX		17	SW/NW	770		\$ 9,500.28	10.00%	\$ 950.03	\$ 1.23
Jason Bergman		17	SW/NW	401	175-0071-01995	\$ 4,947.55	10.00%	\$ 494.75	\$ 1.23
Jason Bergman		17	SW/NW	396	175-0071-01996	\$ 4,885.86	10.00%	\$ 488.59	\$ 1.23
Raymond Kutsi		17	SW/NW	81	175-0071-01980	\$ 999.38	10.00%	\$ 99.94	\$ 1.23
Ron Kutsi		17	SW/NW	159	175-0071-01985	\$ 1,961.75	10.00%	\$ 196.17	\$ 1.23
Arnold Suihkonen		17	SW/NW	172	175-0071-01990	\$ 2,122.14	10.00%	\$ 212.21	\$ 1.23
Patrica Moore		17	SW/NW	399	175-0071-01940	\$ 4,922.87	10.00%	\$ 492.29	\$ 1.23
Patrica Moore		17	SW/NW	45	175-0071-01950	\$ 555.21	10.00%	\$ 55.52	\$ 1.23
Joe Bissonette		17	SW/NW	156	175-0071-02000	\$ 1,924.73	10.00%	\$ 192.47	\$ 1.23
Unknown		17	SW/NW	294		\$ 3,627.38	10.00%	\$ 362.74	\$ 1.23
Orlee Nelson		17	NW/SW	276	175-0071-02085	\$ 3,405.29	10.00%	\$ 340.53	\$ 1.23
Phyllis Gentilini		18	NE/SE	95	175-0071-02372	\$ 1,172.11	10.00%	\$ 117.21	\$ 1.23
Phyllis Gentilini		18	NE/SE	165	175-0071-02380	\$ 2,035.77	10.00%	\$ 203.58	\$ 1.23
Ricky Burgau		18	NE/SE	93	175-0071-02354	\$ 1,147.44	10.00%	\$ 114.74	\$ 1.23
Paul Munter		18	NE/SE	467	175-0071-02330	\$ 5,761.86	10.00%	\$ 576.19	\$ 1.23
Mark Redmond		18	NE/SE	343	175-0071-02335	\$ 4,231.94	10.00%	\$ 423.19	\$ 1.23

John Rimolde	18	NE/SE	660	175-0071-02340	\$	8,143.10	10.00%	\$	814.31	\$	1.23
Peter Haman	18	NE/SE	235	175-0071-02373	\$	2,899.44	10.00%	\$	289.94	\$	1.23
Peter Haman	18	NE/SE	68	175-0071-02374	\$	838.99	10.00%	\$	83.90	\$	1.23
Jeff Marks	18	NE/SE	232	175-0071-02370	\$	2,862.42	10.00%	\$	286.24	\$	1.23
Robert Johnson	18	NE/SE	465	175-0071-02350	\$	5,737.18	10.00%	\$	573.72	\$	1.23
Ricky Burgau	18	NE/SE	250	175-0071-02354	\$	3,084.51	10.00%	\$	308.45	\$	1.23
Daniel Waisa	18	NW/SE	489	175-0071-02412	\$	6,033.29	10.00%	\$	603.33	\$	1.23
State	18	NW/SE	905	175-0071-02410	\$	11,165.91	10.00%	\$	1,116.59	\$	1.23
State	18	SW/SE	1624	175-0071-02420	\$	20,036.95	10.00%	\$	2,003.69	\$	1.23
State	18	SE/SW	2417	175-0071-02320	\$	29,821.00	10.00%	\$	2,982.10	\$	1.23
State	18	GOV 4	2428		\$	29,956.72	10.00%	\$	2,995.67	\$	1.23
			24380		\$	300,801.00		\$	30,080.10		

COUNCIL LETTER 082311-VIC

ADMINISTRATION

PUBLIC PROPERTY

DATE: August 18, 2011
FROM: Craig J. Wainio
City Administrator

Staff is requesting authorization to dispose of public property, this property is non working and of no use to the City and will be sold as scrap. The specific items are as follows:

- The ship ladders that were removed from the Water Treatment Plant, these items are current located to the northeast of the Water Treatment Plant.
- Three obsolete non working generators, two submersible pumps, a propane tank and various smaller pieces that are located at the Waste Water Treatment Plant to the west of the main gate.

TO: City of Mountain Iron
Mr. Craig Wainio

FROM: Chris Peterson
Sportspage Bar
429 Chestnut Street
Virginia, MN 55792

DATE: August 17, 2011

The Sportspage Bar is requesting permission to serve liquor at the Mountain Iron Community Center for a wedding on October 1, 2011, and also on October 8, 2011 for the Range Mental Health 50th anniversary

We have met all the requirements, as outlined in Minnesota Statutes 340A.404 - Intoxicating Liquor, Subd. 4 - Special Provisions.

A certificate of insurance will be provided for the off-site location.

Thank you.

Chris Peterson
Sportspage Bar
429 Chestnut Street
Virginia, MN 55792
218-741-0461

COUNCIL LETTER 082311-VIE
ADMINISTRATION
RESCHEDULE MEETING

DATE: August 18, 2011
FROM: Craig J. Wainio
City Administrator

The next regular meeting of the City Council needs to be rescheduled do to the Labor Day Holiday.

COUNCIL LETTER 082311-IX

ADMINISTRATION


CLOSED MEETING

DATE: August 18, 2011
FROM: Craig J. Wainio
City Administrator

The City Council may enter into a closed meeting under Minn. Stat. §§ 13D.05, subd. 2(b); 13.43, subd. 2(4) for preliminary consideration of allegations or charges against an individual subject to the public body's authority.

COMMUNICATIONS
AUGUST 23, 2011

1. The Children's Memorial Park, an invitation to a ground breaking ceremony for the park.
2. The Greater Minnesota Agency, Inc., forwarding the 2012 rates and renewal data for health insurance for the City Employees.
3. Minnesota Department of Transportation, a notification that the City's application for the 2011 Safe Routes to School proposal was unsuccessful.
4. City of Mountain Iron, Planning and Zoning Commission, a notice of a public hearing for revisions to Chapter 154 of the City Code of Ordinances.
5. City of Mountain Iron, Planning and Zoning Commission, a notice of a public hearing for adding an Ordinance Regulating Rental Property in Mountain Iron.



Please join us
for the

**GROUND
BREAKING**

of

**THE CHILDREN'S
MEMORIAL PARK**

August 31st, 2011

2:00 PM

3rd St S & 9th Ave S

South shore of Silver Lake
Located by the Ball Field
& Playground



The Greater Minnesota Agency, Inc.

403 North First Street ★ Virginia, MN 55792 ★ 218-741-0646 ★ FAX 218-741-7062
Mick Giblin, Insurance Agent, Lic. #27047 ★ Becky Mickelson, Insurance Agent, Lic. #59214

August 11, 2011

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

RE: 2012 BCBSM Renewal

Dear Craig:

Enclosed are the 2012 rates and renewal data for your group from BlueCross BlueShield of Minnesota through the Northeast Service Cooperative.

The rates shown reflect an increase of 1.4%. Alternate rates for various plans are listed under Section 11.

Also note the group renewal bulletin under Section One listing changes that may apply to your group. Many of the Federal and Minnesota Legislative Changes were included in your renewal bulletin last year. It is the employer's responsibility to share this information with employees.

Contact us with any questions or concerns you may have. We appreciate being of continued service to you.

Sincerely,

Mick Giblin
Authorized Agent

Enclosure



Minnesota Department of Transportation

State Aid for Local Transportation
395 John Ireland Boulevard, MS 500
Saint Paul, MN 55155

August 16, 2011

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

RE: Safe Routes to School Infrastructure Grant Application which include Merritt Elementary

Dear Craig Wainio,

I regret to inform you that your 2011 Safe Routes to School proposal (SRTS) was unsuccessful. This year's solicitation received 82 applications requesting over \$23.3 million in SRTS funds. We received many innovative and excellent proposals from all over Minnesota and the selection process was highly competitive.

I will be happy to answer questions you may have on your application and provide suggestions to improve your chances on future infrastructure solicitations. It is uncertain at this time if there will be additional funding to continue the infrastructure program. Funding for the SRTS program is contingent on the passage of the next federal transportation bill. Future opportunities for your participation in the Safe Routes to School Program will be posted on the MnDOT SRTS website when they become available. Program information and educational materials can also be found at our website, www.dot.state.mn.us/saferoutes. If you have any questions, please contact me at 651-366-3827 or mao.yang@state.mn.us.

Thank you for your participation.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Mao Yang'.

Mao Yang
Asst. Project Development Engineer

An Equal Opportunity Employer





CITY OF MOUNTAIN IRON

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City of Mountain Iron
8586 Enterprise Drive South
Mountain Iron MN 55768

CITY OF MOUNTAIN IRON NOTICE OF PUBLIC HEARING

The Planning and Zoning Commission of the City of Mountain Iron will hold a public hearing on Monday, August 29, 2011 at 6:10 p.m. in the Mountain Iron Room of the Mountain Iron Community Center.

The purpose of the public hearing is to consider amendments to Chapters 154 of the City Code of Ordinances. The following revisions are being proposed:

Section 154.031, Section 154.033, and Section 154.034, of the Mountain Iron City Code are hereby amended as follows:

(C) (4) "Accessory buildings of same style and appearance as house, no larger than a total of 300 square feet." **Is hereby replaced with the following:** "Accessory buildings of same style and appearance as house, no larger than a 300 square foot footprint."

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

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

www.mtniron.com



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Mountain Manor
Mountain Iron HRA
8586 Enterprise Drive South
Mountain Iron MN 55768

CITY OF MOUNTAIN IRON NOTICE OF PUBLIC HEARING

The Planning and Zoning Commission of the City of Mountain Iron will hold a public hearing on Monday, August 29, 2011 at 6:05 p.m. in the Mountain Iron Room of the Mountain Iron Community Center.

The purpose of the public hearing is to consider adding an Ordinance Regulating Rental Property in Mountain Iron. A complete copy of the proposed ordinance is available at the Mountain Iron City Hall.

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

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

www.mtniron.com