

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, OCTOBER 17, 2011 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the October 3, 2011, Regular Meeting (#1-6)
 - B. Receipts
 - C. Bills and Payroll
 - D. Communication (#20-21)
- III. Public Forum
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - B. City Administrator's Report
 - 1. Disposal of Surplus Property (#7)
 - C. Interim Public Works Director's Report
 - D. Sheriff's Department Report
 - E. City Attorney's Report
 - F. City Engineer's Report
 - 1. Change Order Number 1 for Bluebell and Daffodil Avenues (#8-10)
 - G. Public Health and Safety Board
 - 1. Automatic Aid Agreement (#11-13)
 - H. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Continuation of Employment (#14)
 - B. Authorization to Post for Fire Department Officers (#15-19)
- VII. Communications (#20-21)
- VIII. Announcements
- IX. Adjourn

Page Number in Packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
OCTOBER 3, 2011

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Susan Tuomela, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Anderson, Municipal Services Secretary; Rod Flannigan, City Engineer; Karl Sundquist, City Attorney; 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 September 19, 2011, regular meeting as submitted.
2. Approve the minutes of the September 19, 2011, committee-of-the-whole meeting as submitted.
3. To acknowledge the receipts for the period September 16-31, 2011, totaling \$213,900.65, (a list is attached and made a part of these minutes).
4. To authorize the payments of the bills and payroll for the period September 16-31, 2011, totaling \$168,498.73, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

During the public forum, James Medure, 5465 Bluebell Avenue, stated that he came to a City Council meeting last July regarding a request for a storm sewer and he was told to appear before the Street and Alley Committee to discuss the issue before the Bluebell Avenue overlay project was completed and he has never received a meeting notice to put his request in. The Mayor stated that the Committee had not had a meeting. The Mayor advised him that he would be notified of the next Street and Alley Committee meeting, so he could attend the meeting and discuss the status of a requested storm sewer drain installation adjacent to his property on Bluebell Avenue.

A Street and Alley Committee meeting was set for Thursday, October 6, 2011, at 10:00 a.m. to discuss Mr. Medure's storm sewer issue and a stop sign issue on Unity Drive.

Also during the public forum, Greg Brownell, 5450 Mineral Avenue, requested that the Council consider completing the remaining portion of Unity Drive to South Grove. The Mayor advised Mr. Brownell that due to the cost of completing that portion of the road, the City had not proceeded with the project. The Mayor advised Mr. Brownell that he would bring the issue before the Street and Alley Committee also.

The Mayor commented on the following:

- Preliminary Levy. He said that the Council had set the proposed levy with no increase. He also said that with the 2011 law change by the legislation that the market value credit had been changed to a homestead value exclusion. He said a portion would be excluded from the property value and property tax payers may pay more in total taxes even if the City's tax increases was at zero.

- Community Center. He said that he had attended a wedding the previous weekend at the Community Center and was approached by the wedding decorator and they advised the Mayor that they do decorating in a number of facilities in the area and the Mountain Iron Community Center was the cleanest building that they have decorated. The Mayor complimented Terry Niska and other building maintenance workers for the excellent work at the Center.
- Recognition-Race Car Sponsors. Councilor Roskoski said that at the last meeting he forgot to recognize the Sponsors who support the race cars at the Hibbing Raceway.

It was moved by Zupancich and seconded by Roskoski that the City of Mountain Iron does not waive the monetary limits on municipal tort liability established by Minnesota Statutes 466.04. The motion carried.

The City Administrator commented on the following:

- Local Board of Appeal and Equalization training session was set for October 20, 2011, in Cotton. He said that currently there is only one certified member on the Council with Councilor Tuomela being certified. He encouraged other Council members to attend the training.
- Open House at Silicon Energy. He advised the Council members that there would be an open house for Silicon Energy on Monday, October 10, 2011, from 10 a.m. until noon.
- Wacootah Overlook. Councilor Roskoski asked if the Wacootah Overlook could be opened until winter. The City Administrator said that it has been closed due to vandalism. He said that he would tell Staff to open the gate for the public to access the Overlook once again.

The Council reviewed the August 2011, Sheriff's Department Statistics report.

It was moved by Prebeg and seconded by Tuomela to set a public hearing for the wellhead protection plan for Monday, November 7, 2011, at 5:30 p.m. The motion carried.

It was moved by Prebeg and seconded by Tuomela to accept the recommendation of the Utility Advisory Board and set the residential monthly water service charge at \$15.00 per month, the commercial monthly service charge at \$25.00 per month and the usage rate set at \$2.20 per 1000 gallons used for both residential and commercial customers, with an effective date of October 1, 2011. The motion carried on the following roll call vote: Zupancich, yes; Tuomela, yes; Roskoski, no; Prebeg, yes; and Skalko, yes.

It was moved by Prebeg and seconded by Zupancich to authorize City Staff to advertise for Skating Rink Attendants for the 2011-12 season. The motion carried.

During the liaison reports, Councilor Zupancich updated the Council on the last Labor/Management meeting held. He said that the items covered were some issues raised

with regard to pay equity, responsibilities at the Wastewater Treatment Facility, and some safety concerns.

It was moved by Roskoski and seconded by Tuomela to authorize the 2011-12 Safety Management Program Contract at a cost of \$8,950.00. The motion carried unanimously on a roll call vote.

It was moved by Zupancich and seconded by Tuomela to authorize Walker, Giroux, and Hahne, Ltd., to complete the 2011 audit for the City at a cost of \$20,900 for the Governmental Funds and \$9,900 for the Enterprise Funds. The motion carried unanimously on a roll call vote.

It was moved by Tuomela and seconded by Zupancich to authorize the sale of the 2000 Ford Expedition to Dime Mechanics for the amount of \$1,535.00. The motion carried.

During the announcements, Councilor Tuomela reviewed the September, 2011, library statistics report.

At 7:22 p.m., it was moved by Zupancich and seconded by Roskoski to recess the regular meeting and open the closed meeting under Minnesota Statute 13D.05, subdivision 2 (b); 13.43, subdivision 2 (4) for preliminary consideration of allegations or charges against an individual subject to the public body's authority; taking a 15 minute recess first. The motion carried.

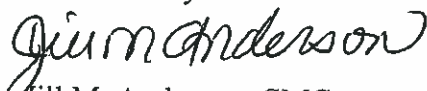
At 7:37 p.m., the closed meeting was opened with the following members present: Joe Prebeg, Jr., Tony Zupancich, Susan Tuomela, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; and Karl Sundquist, City Attorney.

At 8:09 p.m. it was moved by Zupancich and seconded by Tuomela to adjourn the closed meeting and reconvene the regular meeting. The motion carried.

It was moved by Zupancich and seconded by Tuomela to set a special meeting for Thursday, October 6, 2011, at 7:00 p.m. The motion carried.

At 8:10 p.m., it was moved by Zupancich and seconded by Skalko that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC
Municipal Services Secretary

www.mtniron.com

Summary By Category And Distribution

Category	Distribution	Amount
PERMITS	BUILDING	718.16
UTILITY	UTILITY	165,674.59
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	900.00
BUILDING RENTALS	COMMUNITY CENTER	1,000.00
CD INTEREST	CD INTEREST 101	26.42
CD INTEREST	CD INTEREST 378	184.92
CD INTEREST	CD INTEREST 602	20.55
CD INTEREST	CD INTEREST 603	61.63
METER DEPOSITS	ELECTRIC	950.00
MISCELLANEOUS	ASSESSMENT SEARCHES	10.00
MISCELLANEOUS	CHECK RETURN FEE	20.00
MISCELLANEOUS	REIMBURSEMENTS	506.56
COPIES	COPIES	.50
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	32,142.65
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	1,861.19
CHARGE FOR SERVICES	WATER-CHARGE FOR SERVICES	19.82
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	2.02
BUILDING RENTALS	NICHOLS HALL	50.00
CAMPGROUND RECEIPTS	FEES	34.75
METER DEPOSITS	WATER	40.00
INTERGOVERNMENTAL REVENUE	STATE FIRE AID	9,231.00
CD INTEREST	CD INTEREST 604	445.89
Summary Totals:		<u>213,900.65</u>

Check Issue Date(s): 10/03/2011 - 10/07/2011

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
10/11	10/04/2011	141523	140059	97 BLACK DIRT		
10/11	10/04/2011	141524	10064	A B E ENVIRONMENTAL SYSTEMS	101-20200	600.00
10/11	10/04/2011	141525	9005	ACCESS INFORMATION SYSTEMS INC	101-20200	2,296.40
10/11	10/04/2011	141526	1005	AMANDA AVIKANEN	101-20200	10.00
10/11	10/04/2011	141527	10057	AMERICAN BANK	101-20200	200.00
10/11	10/04/2011	141528	10010	ARROWAUTO	101-20200	160.00
10/11	10/04/2011	141529	5007	ASSURANT EMPLOYEE BENEFITS	603-20200	14.10
10/11	10/04/2011	141530	20055	BARNES & NOBLE BOOKSELLERS	101-20200	686.51
10/11	10/04/2011	141531	30017	CARQUEST (MOUNTAIN IRON)	101-20200	415.52
10/11	10/04/2011	141532	170001	CENTURY LINK	602-20200	268.30
10/11	10/04/2011	141533	30004	CITY OF MOUNTAIN IRON	101-20200	218.36
10/11	10/04/2011	141534	30072	COMPUTER WORLD	101-20200	2,919.97
10/11	10/04/2011	141535	40018	DEPT. OF NATURAL RESOURCES	301-20200	1,435.50
10/11	10/04/2011	141536	500012	ERA LABORATORIES INC	101-20200	130.00
10/11	10/04/2011	141537	60026	FASTENAL COMPANY	601-20200	603.50
10/11	10/04/2011	141538	70035	G & K SERVICES	602-20200	232.96
10/11	10/04/2011	141539	70016	GOPHER STATE ONE CALL INC	101-20200	57.76
10/11	10/04/2011	141540	70004	GRANDE ACE HARDWARE	604-20200	90.10
10/11	10/04/2011	141541	70028	GREATER MINNESOTA AGENCY INC	604-20200	21.38
10/11	10/04/2011	141542	70029	GUARDIAN PEST CONTROL INC	101-20200	192.00
10/11	10/04/2011	141543	80017	HENRY'S WATERWORKS INC	101-20200	77.91
10/11	10/04/2011	141544	80037	HOMETOWN FOCUS	101-20200	47.33
10/11	10/04/2011	141545	1001	JANET SOPP	101-20200	165.00
10/11	10/04/2011	141546	1003	JEFF MCMILLEN	101-20200	200.00
10/11	10/04/2011	141547	100023	JIM'S CLEANING	101-20200	200.00
10/11	10/04/2011	141548	1002	JOANN VERGOTH	101-20200	70.00
10/11	10/04/2011	141549	110006	KEN WASCHKE AUTO PLAZA	101-20200	100.00
10/11	10/04/2011	141550	120002	LAWSON PRODUCTS INC	604-20200	121.56
10/11	10/04/2011	141551	120012	LIBRARY STORE	101-20200	613.60
10/11	10/04/2011	141552	120054	LINDER, JESSE	101-20200	148.19
10/11	10/04/2011	141553	130164	MARKS, JEFF	604-20200	156.06
10/11	10/04/2011	141554	130041	MESABI BITUMINOUS	604-20200	45.00
10/11	10/04/2011	141555	130026	MESABI SIGN COMPANY	101-20200	450.37
10/11	10/04/2011	141556	130063	MIB HOOP CLUB	101-20200	256.50
10/11	10/04/2011	141557	130077	MIB QUARTERBACK CLUB	101-20200	95.00
10/11	10/04/2011	141558	130008	MINNESOTA MUNICIPAL UTILITIES	230-20200	100.00
10/11	10/04/2011	141559	130009	MINNESOTA POWER (ALLETE INC)	603-20200	2,650.00
10/11	10/04/2011	141560	130013	MOUNTAIN IRON FIREMEN'S RELIEF	602-20200	1,568.64
10/11	10/04/2011	141561	130128	MTI DISTRIBUTING	101-20200	9,231.00
10/11	10/04/2011	141562	140047	NARDINI FIRE EQUIPMENT CO INC	101-20200	1,656.06
10/11	10/04/2011	141563	140014	NELSON WILLIAMS LININGS INC	101-20200	115.86
10/11	10/04/2011	141564	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	42.75
10/11	10/04/2011	141565	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	45,416.90
10/11	10/04/2011	141566	40032	OFFICE OF ENTERPRISE TECHNOLOG	101-20200	151.67
10/11	10/04/2011	141567	160019	POPULAR SUBSCRIPTION SERVICE	604-20200	416.84
10/11	10/04/2011	141568	180008	RADKO IRON & SUPPLY INC	101-20200	1,875.00
10/11	10/04/2011	141569	180004	RANGE COOPERATIVES	602-20200	29.91
10/11	10/04/2011	141570	190072	SAINT LOUIS COUNTY AUDITOR	101-20200	21.38
10/11	10/04/2011	141571	190010	SEPPI BROTHERS	101-20200	31,898.00
10/11	10/04/2011	141572	190045	SERVICE SOLUTIONS	101-20200	101.10
10/11	10/04/2011	141573	1004	SHEENA STEFANICH	101-20200	22.34
10/11	10/04/2011	141574	190014	SHERWIN WILLIAMS	101-20200	100.00
10/11	10/04/2011	141575	190004	SKUBIC BROS INC	101-20200	7.66
10/11	10/04/2011	141576	190090	SUMMIT SUPPLY CORP OF COLORAD	603-20200	38.82
10/11	10/04/2011	141577	200003	TACONITE TIRE SERVICE	101-20200	4.55
10/11	10/04/2011	141578	200010	TUCK N ROLL UPHOLSTERY	603-20200	148.75
10/11	10/04/2011	141579	210002	UNITED TRUCK BODY COMPANY INC	101-20200	150.00
					101-20200	96.95

M = Manual Check, V = Void Check

Check Issue Date(s): 10/03/2011 - 10/07/2011

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
10/11	10/04/2011	141580	220025	VERIZON WIRELESS	101-20200	56.44
10/11	10/04/2011	141581	230006	WEVE/WTEL	101-20200	155.00
10/11	10/04/2011	141582	230028	WISCONSIN ENERGY CONSERVATION	604-20200	343.75
10/11	10/04/2011	141583	260005	ZEP MANUFACTURING COMPANY	101-20200	253.10
Totals:						<u>109,951.35</u>
Payroll-PP Ending 9/30/2011						<u>58,547.38</u>
TOTAL EXPENDITURES						<u>\$168,498.73</u>

COUNCIL LETTER 101711-VIB

ADMINISTRATOR

SURPLUS PROPERTY

DATE: October 13, 2011
FROM: Craig J. Wainio
City Administrator

The following surplus property has been sold:

Three nonfunctioning generators for \$547.50 to Derek Strine a total of 11 bids were received.

Scrap metal (tank, ladders and mower) for \$496.00 to Douglas Delaney a total of 8 bids were received.

Two nonfunctioning pumps for \$10.00 Lawrence Reedy a total of 1 bid was received.



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

October 13, 2011

Mr. Jerry Nemanich
Mesabi Bituminous, Inc.
PO Box 728
Gilbert, MN 55741

Re: 2011 Street Improvements
City of Mountain Iron
Project No. MI11-06
Change Order No. 1

Dear Mr. Nemanich,

Bids were received on August 18, 2011 for the above referenced project. This project was awarded to Mesabi Bituminous, Inc and the Notice of Award was sent to your office on August 26, 2011. This project was bid with a final completion date of October 15, 2011. On September 20, 2011, a preconstruction meeting was held at which Mesabi Bituminous indicated that work would begin the first week of October. As of October 13, 2011, construction has not started.

Benchmark Engineering, Inc. was not made aware of any circumstances preventing the start of this project until October 12, 2011. Weather was not considered to be a factor in preventing the start of this project, as the month of October has seen higher than average temperatures.

In discussions with City of Mountain Iron staff and Mesabi Bituminous, it was determined that the best course of action is to delay this project until next spring. By planning to start the project later this fall, could result in a rapidly completed project during bad weather, which could result in a substandard product. Also, the October 15, 2011 completion date was selected in the original contract to avoid cooler weather, which can affect the quality when resurfacing with bituminous.

Enclosed please find Change Order No. 1, which changes the final completion date to June 15, 2012. Also, by agreeing to this Change Order, Mesabi Bituminous, Inc. acknowledges that they will hold the contract unit prices and waives any claim for material increases due to failure to complete the work under the original contract schedule.

Re: 2011 Street Improvements
City of Mountain Iron
Project No. MI11-06
Change Order No. 1
Page 2 of 2

If Mesabi Bituminous, Inc. agrees to the terms of this Change Order, please sign the three (3) copies enclosed and return them to our office.

By not agreeing to this Change Order enclosed, the City of Mountain Iron may pursue liquidated damages and/or the costs of rebidding the project should the City elect to terminate the contract and rebid the project next spring.

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. Craig Wainio, City of Mountain Iron
Benchmark Engineering, Inc.

CHANGE ORDER

Order No. 1

Date: October 13, 2011

NAME OF PROJECT/PROJECT NO: 2011 Street Improvements / MI11-06

OWNER: City of Mountain Iron

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

ENGINEER: Benchmark Engineering, Inc.

Reason for Change Order:

This change order is necessary to extend the completion date, and ensure the prices will not be increased. This project was delayed by the Contractor's inability to complete this project by the Final Completion date of October 15, 2011. This Change Order will also change the Final Completion Date to June 15, 2012. By agreeing to this Change Order the Contractor will waive all rights to allow for material increases as a result of this Contract extension and the Contractor agrees to hold the contract unit prices. The Contractor has verbally agreed to hold their bid price.

The following changes are hereby made to the CONTRACT DOCUMENTS:

The contract amount is increased by **\$0.00**


Change to CONTRACT PRICE:

Original CONTRACT PRICE \$ 123,968.00

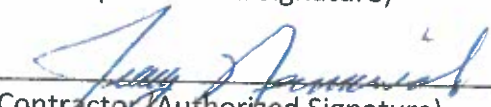
Current CONTRACT PRICE adjusted by previous CHANGE ORDERS \$ 123,968.00

The CONTRACT PRICE due to this CHANGE ORDER will be increased by: \$ 0.00

The new CONTRACT PRICE including this CHANGE ORDER will be: \$ 123,968.00

Recommended by:  10/13/11
Engineer (Authorized Signature) Date:

Approved by: _____
Owner (Authorized Signature) Date:

Accepted by:  10-13-11
Contractor (Authorized Signature) Date:

COUNCIL LETTER 101711-IVG1

HEALTH AND SAFETY

AUTOMATIC AID

DATE: October 13, 2011
FROM: Public Health and Safety Board

Joe Buria
Fire Chief

Craig J. Wainio
City Administrator

The Public Safety and Health Board and the Fire Chief are recommending that the Automatic Aid Agreement with the City of Virginia be adopted. This aid agreement stipulates that whenever the Mountain Iron Fire Department gets notified of a call the Virginia Fire Department will also be notified and vice versa. This agreement excludes any calls for contract firefighting services.



City of Virginia and City of Mountain Iron Fire Department Automatic Aid Agreement

Automatic aid is assistance dispatched automatically by contractual agreement between the City of Mountain Iron and the City of Virginia and their respective fire departments. The Saint Louis County 911 Dispatch Center (Midway Dispatch) under the direction of the Sheriff shall automatically dispatch emergency response resources according to the following agreement:

Municipal Agreement

WHEREAS it is the intention of the Virginia Fire Department to assist the Mountain Iron Fire Department with fire related activities in the following events:

- Structure fires, fire alarms and motor vehicle crashes located within the geographical area of the City of Mountain Iron, Saint Louis County, and within the State of Minnesota.

WHEREAS it is the intention of the Mountain Iron Fire Department to assist the Virginia Fire Department with fire related activities in the following events:

- Structure fires, fire alarms and motor vehicle crashes located within the geographical area of the City of Virginia, Saint Louis County, and within the State of Minnesota.
- The Mountain Iron Fire Department will not be required to respond automatically to alarms at the Virginia Fire Departments Contract Fire Protection locations.

NOW, THEREFORE, be it resolved that the Fire Chief's of the participating Municipalities agree to offer the above-described assistance when appropriate and possible.

Saint Louis County 911 Dispatch Center Agreement

NOW, THEREFORE be it resolved that the Saint Louis County 911 Dispatch Center (Midway) agrees to dispatch the above-described Automatic Aid as agreed upon in the above-described Municipal Agreement.

CITY OF MOUNTAIN IRON:

CITY OF VIRGINIA:

Gary Skalko, Mayor

Steve Peterson, Mayor

Date

Date

Craig Wainio, Administrator

John Tourville, City Operations Director

Date

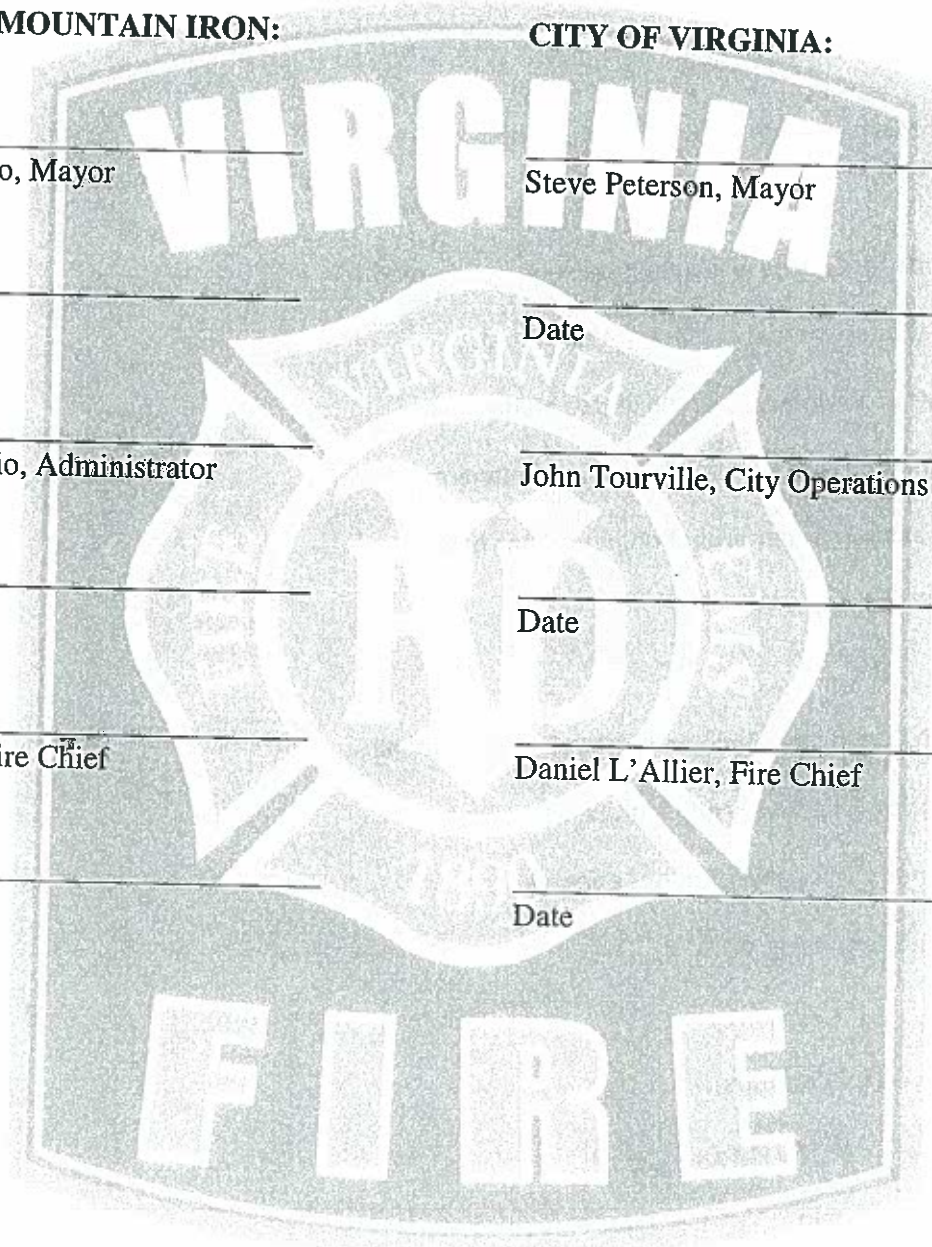
Date

Joe Buria, Fire Chief

Daniel L'Allier, Fire Chief

Date

Date



October 7, 2011

To: Mayor Skalko, City Council Members, Craig Wainio

Re: Library Assistant Position

Dear Mayor Skalko and Council Members,

Rhonda McConnell will be approaching her six month probationary period as Library Assistant at the Mt. Iron Library. I would like to highly recommend that she be hired on a permanent basis as soon as her probation period has been completed.

Ms. McConnell has done an outstanding job with all her duties. She is very efficient, has excellent customer service skills and has effective computer and filing skills.

Thank you for your time.



Sally Peterangelo

Library Director

COUNCIL LETTER 101711-VIB

FIRE DEPARTMENT

OFFICERS

DATE: October 13, 2011
FROM: Craig J. Wainio
City Administrator

The term of the Fire Chief and one Fire Captain are due to expire on December 31, 2011 and according to City Policy the attached must be posted and applications be accepted through November 15th. Staff is requesting authorization to internally post for the position of Fire Chief and Fire Captain as per City Policy.

CITY OF MOUNTAIN IRON

INTERNAL POSTING

FIRE CHIEF

The City of Mountain Iron is accepting applications for the position of Fire Chief for the term to expire on December 31, 2014. This position reports to the City Administrator.

Responsibilities for this position are described in the Fire Chief Position Analysis. Qualifications include graduation from high school or equivalent, a valid State driver's license and four (4) years prior experience in fire fighting and prevention with at least two (2) years as an officer.

Applications will be accepted until 4:00 p.m., November 15, 2011. Submit applications to Craig J. Wainio, City Administrator.

CITY OF MOUNTAIN IRON

INTERNAL POSTING

FIREFIGHTER CAPTAIN/TRAINING OFFICER

The City of Mountain Iron is accepting applications for the position of Firefighter Captain/Training Officer for the term to expire on December 31, 2014. This position reports to the Assistant Fire Chief.

Responsibilities for this position are described in the Firefighter Captain/Training Officer Position Analysis. Qualifications include graduation from high school or equivalent, a valid State driver's license and two (2) years prior experience as a Volunteer Firefighter.

Applications will be accepted until 4:00 p.m., November 15, 2011. Submit applications to Craig J. Wainio, City Administrator.

POLICY FOR APPOINTMENT OF FIRE DEPARTMENT OFFICERS

Policy Number 2008-02

Adopted February 4, 2008
Amended December 21, 2009

PURPOSE

The purpose of these policies is to establish a uniform and equitable system for the appointment to officer positions in the City of Mountain Iron Fire Department. The Officers shall be comprised of the following positions: Fire Chief, Assistant Chief, Captain (3) and Training Officer.

NON-DISCRIMINATION

It is the policy of the City of Mountain Iron to provide equal opportunity to all persons without regard to race, color, creed, national origin, religion, gender, sexual orientation, marital status, status with regard to public assistance, age or disability. No person shall be discriminated against with regard to the appointment of officer positions. It is the responsibility of all City officials, and Fire Department supervisors/officers to insure the implementation of this policy.

APPOINTMENT RESPONSIBILITIES

Subject to the discretion of the City Council or its Designee, all appointments to officer positions are to be approved by the Fire Chief. In the case of the Fire Chief and Assistant Fire Chief positions, the appointment is to be made by the City Council or its Designee.

APPOINTMENT TERMS

All officer position terms will expire on the date indicated below, and thereafter every three years.

Fire Chief	December 31, 2008
Assistant Chief	December 31, 2009
Captain	December 31, 2010
Captain	December 31, 2008
Captain	December 31, 2009
Training Officer	December 31, 2010

FILING FOR POSITION

Filing for officer positions shall take place November 1st to November 15th prior to the end of each term. A position posting labeled "Internal Posting" shall be placed in the fire station listing the most current requirements of the open officer position. To file for any officer position, an

applicant must meet the minimum requirements for years of service and education/experience as outlined in the Fire Departments position analysis. The Fire Chief or his/her Designee will verify each applicant's qualifications. In the case of the Fire Chief position, the City Council or its Designee will verify each applicant's qualifications. Each filing member for office shall submit an application and/or resume outlining activities or functions the applicant has or is participating in including: education, fire prevention activities, call response, meeting attendance, etc.

ORAL INTERVIEW

A panel of no less than three officers/individuals shall conduct oral interviews for the selection of officers. The interview panel will consist of the Fire Chief, the Chairperson of the Public Health and Safety Board and the Chairperson of the Personnel Committee. In the case of the Fire Chief position, the interview will be conducted by the City Council or its Designee(s). Interviews will be offered to all applicants meeting the minimum requirements for the position. The interview panel will be provided with a list of pre-determined interview questions to be asked of all applicants. The questions will include questions and/or situations that pertain to leadership, teamwork, communications and management-style qualities desired for the level of management required for the position. The interview panel will make their selection from the top candidates and forward their selections to the Fire Chief for approval. In the case of the Fire Chief and Assistant Fire Chief positions, the interview panel will forward their top candidate to the City Council or its Designee for approval.

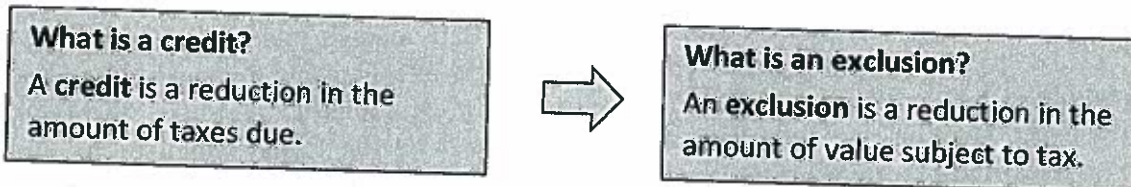
OFFICER POSITIONS VACATED DUE TO RESIGNATION, DEMOTION, PROMOTION OR DISCHARGE

A vacated position shall be posted and a 30-day period shall be established for filing, using the same application, interview and selection process outlined in the above procedures. If several positions are open, the higher ranking positions will be filled first. The positions shall be filled as soon as practical.

Understanding Recent Changes in Homestead Benefits For Property Tax Purposes

What Changed?

The 2011 Legislature repealed the **Homestead Market Value Credit**, (the homestead credit), and replaced it with a new **Homestead Market Value Exclusion**. The last year of the credit is for property taxes paid in 2011 and the exclusion begins for property taxes payable in 2012.



The old law with the credit was as simple as: **X – Y = Z**

If your initial tax was **X**, and your credit was **Y**, then the tax you had to pay was **Z**.

Under the new law, an exclusion changes the initial tax amount (**X**), and with the credit gone, the new initial tax becomes the final tax (**X = Z**).

HOW DO HOMESTEAD BENEFITS CHANGE?

Under the old law, the credit itself equaled the homestead benefit, and its calculation **depended only on the value of the homestead**. Because the credit was subtracted from the initial tax amount, the credit **affected each taxpayer independently**.

Under the new law, the exclusion is still calculated using the value of the homestead, but the tax benefit **depends on a variety of factors other than homestead value**. Because the exclusion is a reduction in the value subject to tax, it also **affects tax rates and the taxes of all properties**.

WHY IS THIS CHANGE COMMONLY RESULTING IN TAX INCREASES?

There are four reasons why the change commonly results in increases:

- 1) **State money is no longer reducing total taxes.** For 2012, the state was projected to pay approximately \$260 million of local taxes through the credit program. With the change, there will be no state paid credit and the entire local property tax levy will be paid by taxpayers.
- 2) **The reduction in taxable value increases tax rates.** With the total taxable value being reduced by the exclusion, raising the same total levy as the prior year requires a higher rate.
- 3) **The reduction in taxable value shifts the relative burdens of who pays.** With homestead values reduced, other property types (and homes with higher values) pay a larger share of the tax.
- 4) **The exclusion provides less benefit in low tax rate areas than the credit.** The computation of the exclusion and credit amounts are roughly comparable where the tax rate is close to the state average, but in lower tax rate areas the excluded value provides less benefit. High rate areas may see greater benefit.

COMPUTATION OF CREDIT AND EXCLUSION AMOUNTS

Even though the tax benefits of the credit and the exclusion are not equal, the calculation of the exclusion amount is similar to the calculation of the former credit. Both reach their maximum at \$76,000 of market value (\$304 for the credit; \$30,400 for the exclusion). Both reduce to \$0 at about \$414,000 of market value.

Credit = 0.4% of the first \$76,000, minus 0.09% of the value over \$76,000.
Exclusion = 40% of the first \$76,000, minus 9% of the value over \$76,000.

Example: A house valued at \$116,000.

Credit = $(0.4\% \times \$76,000) - (\$40,000 \times 0.09\%)$
 = \$304 - \$36
 = \$268

Exclusion = $(40\% \times \$76,000) - (\$40,000 \times 9\%)$
 = \$30,400 - \$3,600
 = \$26,800

WANT MORE DETAILS? CONSIDER THIS THEORETICAL ILLUSTRATION

Similarly computed amounts do not yield equal benefits:

AVERAGE TAX RATE ILLUSTRATION		
	Old Law: <u>Credit</u>	New Law: <u>Exclusion</u>
Estimated Market Value	\$116,000	\$116,000
Exclusion	\$0	\$26,800
Taxable Market Value	\$116,000	\$89,200
Class Rate	1%	1%
Net Tax Capacity	\$1,160	\$892
Tax Rate	105.810%	110.920%
Gross Tax	\$1,227	\$989
Credit	\$268	\$0
Net Tax	\$959	\$989

LOW TAX RATE ILLUSTRATION		
	Old Law:	New Law:
Tax Rate	63.486%	66.552%
Gross Tax	\$736	\$594
Credit	\$268	\$0
Net Tax	\$468	\$594

Let's say you live in a house valued at \$116,000. Under the old law the full value was taxed, but the new exclusion lowers the taxable value.

Different classes of property are taxed at different levels. The first \$500,000 of homestead value has a rate of 1%. (Higher value has a rate of 1.25%.)

"Net tax capacity" is a term describing the taxable value after class rates are applied. Again, this is lower under the new law due to the exclusion.

Tax rates increase because the exclusion shrinks the taxable value. This illustration shows statewide average rates before and after the change.

The gross tax under the old law was higher because there was no exclusion, but the credit reduced the net tax. Under the new law the gross and net are the same. Here the increase is modest, but...

Tax rates affect the relative strength of the exclusion because multiplying excluded value by a low rate is less beneficial than multiplying it by a high rate. So, under a "low tax rate" example, the increase in tax is more extreme.

NOTE: This illustration does not reflect an actual location.

WHAT ELSE AFFECTS MY TAXES (IN ADDITION TO THE HOMESTEAD BENEFIT)?

Local levy decisions, including the effects of changes in state aid and local budget priorities.

Market forces can affect property taxes in two ways:

- The **value of your property** may increase or decrease.
- The **value of other properties** may increase or decrease and change the share that your property is of the total tax base, whether your property's value changed or not.

Various other changes (the **classification** or your property, eligibility for **other benefits**, and miscellaneous **law changes**) may also affect property taxes.

