

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, NOVEMBER 1, 2004 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
  - II. Consent Agenda
    - A. Minutes of the October 18, 2004 Regular Meeting (#1-9)
    - B. Bills and Payroll
    - C. Receipts
    - D. Communications (#84-87)
  - III. Public Forum
  - IV. Committee and Staff Reports
    - A. Mayor's Report
    - B. City Administrator's Report
      - 1. Temporary Liquor License (#10-11)
      - 2. 16<sup>th</sup> Avenue Project (#12-20)
    - C. Director of Public Work's Report
      - 1. Tire Purchase Authorization (#21)
    - D. Director of Parks and Recreation's Report
      - 1. Blight Issues (#22)
    - E. Library Board
      - 1. Substitute Worker Authorization (#23)
    - F. City Engineers Report
  - V. Unfinished Business
    - A. 2005 Budget Review (#24-36)
    - B. HRA Board (#37-42)
  - VI. New Business
    - A. Resolution 41-04 Setting a Public Hearing (#43-65)
    - B. Resolution 42-04 Setting a Public Hearing (#66-69)
    - C. CGMC Labor and Employee Relations Program (#70-74)
    - D. Audit Proposal (#75-80)
    - E. Change Regular Meeting Date (#81)
    - F. Grant Application to IRRRB (#82)
    - G. Mashkenode Lake Addresses (#83)
    - H. Communications (#84-87)
  - VII. Open Discussion
  - VIII. Announcements
    - A. Special City Council Meeting – November 4, 2004 at 5:00 p.m.
  - IX. Adjourn
- # Denotes page number in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
OCTOBER 18, 2004

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Allen Nelson, Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Larry Nanti, Director of Parks and Recreation; Karen Luoma, Librarian; Rod Flannigan, City Engineer; and Sam Aluni, City Attorney.

It was moved by Prebeg and supported by Nelson that the consent agenda be approved as follows:

1. Add the following items to the agenda:

IV. D. 3. Drainage problem-Diamond Lane Cul-de-sac.

2. Approve the minutes of the October 4, 2004, City Council meeting as submitted.
3. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
4. To acknowledge the receipts for the period October 1-15, 2004, totaling \$125,697.81, (a list is attached and made a part of these minutes).
5. To authorize the payments of the bills and payroll for the period October 1-15, 2004, totaling \$249,933.64, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

During the public forum, Ron McGriff, Consulting Librarian, was present and reviewed his Preliminary Space Needs Assessment report with the City Council.

The Council discussed the Business Subsidy Agreement for Precision Testing.

Also during the public forum, Councilor Roskoski questioned whether the variance request from Becky Wilkins could be reconsidered.

At 7:29 p.m., the Mayor recessed the meeting.

At 7:31 p.m., the Mayor reconvened the meeting.

Councilor Roskoski requested that Councilors Nelson and Prebeg make a motion to reconsider the Wilkin's variance. Councilor Nelson said that he would not make a

motion to reconsider because he was following the recommendation of the Zoning Administrator.

During the Mayor's report, the Mayor stated that he would like the Council to start thinking about submitting ideas to the City Administrator for the 2005 budget for the second City Council meeting in November.

It was moved by Prebeg and supported by Skalko to proceed with the metal columns and approve the brown powder coat for the support columns for the West Two Rivers Pavilion. After further discussion, Councilor Prebeg **withdrew his motion** and Mayor Skalko **withdrew his support**.

The Recreation Director advised the Council that the Halloween Carnival would be held on October 31, 2004, at the Community Center. He also advised the Council that the Community Center would probably be the new home for the Carnival because the school did not want the Carnival in the school gymnasium anymore. The Recreation Director said that the American Legion contributed \$1,000 and D.A.R.E. contributed \$150 toward the purchase of new Carnival games and the Recreation Director requested authorization to expend \$1,500 from the Charitable Gambling Fund.

It was moved by Prebeg and supported by Skalko to authorize the Recreation Director to use \$1,500 from the Charitable Gambling Fund towards the purchase of new games for the Halloween Carnival. The motion carried on the following roll call vote: Nelson, no; Irish, no; Roskoski, yes; Prebeg, yes and Skalko, yes.

It was moved by Prebeg and supported by Skalko to authorize the Recreation Director to advertise for Winter Day Workers, 16 years or older, and Maintenance Workers, 18 years or older, to apply for a position with the City of Mountain Iron. The motion carried.

It was moved by Roskoski to direct the Blight Officer to have City Staff collect the garbage behind the Parkville School. After further discussion, Councilor Roskoski **withdrew his motion**.

It was moved by Irish and supported by Nelson to accept the recommendation of the City Engineer and authorize pay request number two for the Water Treatment Plant Backwash Tank in the amount of \$1,181.80. The motion carried unanimously on a roll call vote.

The Council discussed the Railroad Quiet Zone. The City Engineer advised the Council that the Minnesota Department of Transportation's web site to calculate the procedure to begin the Quiet Zone applications would be online on October 26, 2004. The City Engineer stated that he contacted Canadian National and they were very disinterested in the project. Paul Fischer was present and stated that he previously worked for the railroad and he reviewed the whistle blowing procedures with the City Council.

Councilor Roskoski asked the City Engineer how the Heather Avenue Graveling Project was proceeding. The Engineer stated that the project should be completed by next week.

It was moved by Roskoski and supported by Skalko to direct Benchmark Engineering to review the Diamond Lane cul-de-sac and survey the curb as far as pitch and slope and bring a recommendation back to the City Council. The motion carried.

Councilor Roskoski asked the City Attorney if he had any information on the Mountain Iron Foundation. The City Attorney stated that he was still working on it.

The City Council reviewed the Sheriff Department September 2004 Activity Report. The Sergeant advised the Council that there are currently three new Sheriffs patrolling in Mountain Iron. The new sheriffs are Brian Paulson, Chad Larson, and Matt Thornwall.

It was moved by Prebeg and supported by Nelson to adopt Resolution Number 30-04, authorizing the acceptance of certain property, (a copy is attached and made a part of these minutes). And further, that the City accept the Department of Employment and Economic Development Grant for the cleanup of the property. The motion carried on the following roll call vote: Roskoski, no; Prebeg, yes; Nelson, yes; Irish, no; and Skalko, yes.

The Council discussed the Housing and Redevelopment Authority (HRA) and Economic Development Authority (EDA) situation. The City Attorney stated that the EDA would have the adoption of the by-laws presented at the October 20, 2004, meeting.

It was moved by Roskoski and supported by Skalko to direct the City Administrator and the City Attorney to work closely together on the proposed schedule, on page 52 of the October 18, 2004, City Council packet, are taken care of in their entirety to completion. The motion carried with Councilor Nelson voting no.

Councilor Roskoski stated that he heard "through the grape vine" that at the last HRA/EDA meeting that all kinds of promises were made to build streets and roads in the City of Mountain Iron. He said that he thought the City Council were the only ones that could have roads built in Mountain Iron. The City Administrator advised the Council that the HRA will be putting in a 200 foot graveled service road on HRA property.

It was moved by Irish and supported by Roskoski to direct the City Administrator to establish a list of costs for additional services for utilities and streets to go into the existing project zones and what projects would be included in the zones and forward the information to the City Council. The motion carried with Councilors Prebeg and Nelson voting no.

It was moved by Skalko and supported by Roskoski to direct City Staff to continue to work on the TEA-21 grant application and focus the grant application on the Original Townsite Streetscape Project. The motion carried with Councilor Irish voting no.

It was moved by Skalko and supported by Nelson to set a Special City Council Meeting to canvass the general election votes for Thursday, November 4<sup>th</sup> at 5:00 p.m. The motion carried.

During the open discussion, Councilor Roskoski asked Councilor Prebeg if the Utility Advisory Board (UAB) had discussed the future use of the Ann Acre's Water Company pump house building, he said that the building is in poor condition. Councilor Prebeg said that he thought the UAB had discussed removing the building and sealing the wells. The UAB had not received any estimates for the project.

Also during the open discussion, Councilor Roskoski advised the City Administrator to direct City Staff to remove the extra dirt that was spread when the utilities were put in for the control building at Locomotive Park. Councilor Roskoski also said that the sidewalk clean up project by the corner of Main Street and the Mineral Avenue alley turned out very well.

It was moved by Irish and supported by Skalko to direct the City Administrator to obtain a current updated map of the land acquired through Resolution Number 30-04 from U. S. Steel Corporation and a map of the property between Parkville and Downtown Mountain Iron showing property ownership for use for the ATV Project. The motion carried.

At 9:01 p.m., it was moved by Prebeg and supported by Nelson that the meeting be adjourned. The motion carried.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA  
Municipal Services Secretary

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

## Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	100,439.53
PERMITS	BUILDING	395.10
BUILDING RENTALS	SENIOR CENTER	150.00
METER DEPOSITS	ELECTRIC	1,515.00
MISCELLANEOUS	REIMBURSEMENTS	542.31
MISCELLANEOUS	SEPTIC APPLICATIONS	275.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	300.00
INTERGOVERNMENTAL REVENUE	STATE FIRE AID	14,377.00
INTERGOVERNMENTAL REVENUE	CDBG/ST LOUIS CO/I & I REDUCT.	1,050.00
MISCELLANEOUS	ASSESSMENT SEARCHES	20.00
CD INTEREST	CD INTEREST 101	1,055.95
CD INTEREST	CD INTEREST 301	411.29
CD INTEREST	CD INTEREST 378	169.34
CD INTEREST	CD INTEREST601	753.68
CD INTEREST	CD INTEREST 602	72.57
CD INTEREST	CD INTEREST 603	2,122.27
CD INTEREST	CD INTEREST 604	24.26
CD INTEREST	CD INTEREST 102	32.60
BUILDING RENTALS	COMMUNITY CENTER	100.00
BUILDING RENTALS	NICHOLS HALL	45.00
CD INTEREST	CD INTEREST 103	1,386.07
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	361.76
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	71.59
MISCELLANEOUS	REFUNDS/ REIMBURSEMENTS	27.49
Summary Totals:		<u>125,697.81</u>

Check Issue Date(s): 10/09/2004 - 10/22/2004

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
10/04	10/13/2004	30691	130011	MOUNTAIN IRON POSTMASTER	002-20200	284.94
10/04	10/19/2004	30692	10013	A T & T INFORMATION SYSTEMS	002-20200	59.33
10/04	10/19/2004	30693	1080	AARON WEDGE	002-20200	100.00
10/04	10/19/2004	30694	10008	AIRGAS NORTH CENTRAL	002-20200	173.90
10/04	10/19/2004	30695	10033	ALERT-ALL CORPORATION	002-20200	230.40
10/04	10/19/2004	30696	1092	ALLISON FURRY	002-20200	86.60
10/04	10/19/2004	30697	130017	AMERICAN BANK	002-20200	944.82
10/04	10/19/2004	30698	1096	ANNA STUCKEY	002-20200	27.52
10/04	10/19/2004	30699	10041	ARROWHEAD EMS ASSOCIATION	002-20200	25.00
10/04	10/19/2004	30700	20013	B MILLER PRODUCTS INC	002-20200	40.43
10/04	10/19/2004	30701	1085	BECKA AHRENS	002-20200	100.00
10/04	10/19/2004	30702	1095	BERNADETTE POSPECK	002-20200	92.80
10/04	10/19/2004	30703	20014	BORDER STATES ELECTRIC SUPPLY	002-20200	8,619.66
10/04	10/19/2004	30704	20007	BP	002-20200	1,931.13
10/04	10/19/2004	30705	1079	BRANDON EBERT	002-20200	475.00
10/04	10/19/2004	30706	20004	BURGHHER OFFICE EQUIPMENT	002-20200	37.28
10/04	10/19/2004	30707	30061	CELLULARONE	002-20200	508.35
10/04	10/19/2004	30708	30004	CITY OF MOUNTAIN IRON	002-20200	155.13
10/04	10/19/2004	30709	30053	CONSOLIDATED TRADING COMPANY	002-20200	894.73
10/04	10/19/2004	30710	1087	CORINNE JORDAN	002-20200	100.00
10/04	10/19/2004	30711	1084	DELANIE GIORGI	002-20200	50.00
10/04	10/19/2004	30712	40028	DITCH WITCH OF MINNESOTA INC	002-20200	2.91
10/04	10/19/2004	30713	50012	ESCH CONSTRUCTION SUPPLY INC	002-20200	846.68
10/04	10/19/2004	30714	60009	FRED FAUST	002-20200	92.60
10/04	10/19/2004	30715	70008	GOODIN COMPANY	002-20200	173.68
10/04	10/19/2004	30716	70028	GREATER MINNESOTA AGENCY INC	002-20200	186.00
10/04	10/19/2004	30717	1089	GREGORY HIRSCH	002-20200	129.33
10/04	10/19/2004	30718	70029	GUARDIAN PEST CONTROL INC	002-20200	56.82
10/04	10/19/2004	30719	80008	HIBBING EXCAVATION INC	002-20200	1,181.80
10/04	10/19/2004	30720	80002	HILLYARD	002-20200	133.21
10/04	10/19/2004	30721	1097	JENNIFER KELLEY	002-20200	77.41
10/04	10/19/2004	30722	1082	JOANNE DALL	002-20200	50.00
10/04	10/19/2004	30723	1090	KATHRYN NELSON & DANNY LAIRD	002-20200	25.31
10/04	10/19/2004	30724	120006	L & M SUPPLY	002-20200	641.21
10/04	10/19/2004	30725	120004	LITERARY GUILD	002-20200	21.29
10/04	10/19/2004	30726	1093	LORALEE STOCK	002-20200	45.17
10/04	10/19/2004	30727	130041	MESABI BITUMINOUS	002-20200	539.47
10/04	10/19/2004	30728	130004	MESABI DAILY NEWS	002-20200	1,096.73
10/04	10/19/2004	30729	130040	MIDWEST SPORTSWEAR	002-20200	44.47
10/04	10/19/2004	30730	130023	MINNESOTA CHAPTER IAAI	002-20200	25.00
10/04	10/19/2004	30731	130010	MINNESOTA UC FUND	002-20200	4,508.31
10/04	10/19/2004	30732	1088	MN PREVENTION RESOURCE CENTER	002-20200	100.00
10/04	10/19/2004	30733		Information Only Check	002-20200	.00 V
10/04	10/19/2004	30734	130015	MT IRON WATER AND LIGHT DEPT	002-20200	11,734.86
10/04	10/19/2004	30735	140012	NATIONAL GEOGRAPHIC SOCIETY	002-20200	15.90
10/04	10/19/2004	30736	140020	NEW LONDON WAREHOUSE	002-20200	19.01
10/04	10/19/2004	30737	140052	NORTHEAST SERVICE COOPERATIVE	002-20200	30,952.21
10/04	10/19/2004	30738	140042	NORTHERN DOOR & HARDWARE INC	002-20200	7,316.55
10/04	10/19/2004	30739	150014	ONE CALL CONCEPTS INC	002-20200	51.75
10/04	10/19/2004	30740	150002	OXMOOR HOUSE	002-20200	57.82
10/04	10/19/2004	30741	160007	PETERSEN DRILLING	002-20200	8,503.18
10/04	10/19/2004	30742	170007	QUILL CORPORATION	002-20200	295.14
10/04	10/19/2004	30743	170001	QWEST	002-20200	368.52
10/04	10/19/2004	30744	180004	RANGE COOPERATIVES	002-20200	25.56
10/04	10/19/2004	30745	180045	RESERVE ACCOUNT	002-20200	500.00
10/04	10/19/2004	30746	180005	ROAD MACHINERY AND SUPPLY	002-20200	11.47
10/04	10/19/2004	30747	1091	ROBERT J PROSEN	002-20200	161.71

M = Manual Check, V = Void Check

10/27/2004

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CITY COUNCIL

Check Issue Date(s): 10/09/2004 - 10/22/2004

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
10/04	10/19/2004	30748	1094	ROBERT SPECTOR	002-20200	90.20
10/04	10/19/2004	30749	180050	ROSS INDUSTRIES INC	002-20200	338.67
10/04	10/19/2004	30750	190001	SEARS COMMERCIAL CREDIT	002-20200	26.49
10/04	10/19/2004	30751	1086	SELA OVESON	002-20200	100.00
10/04	10/19/2004	30752	1083	SHARON KAPPES	002-20200	50.00
10/04	10/19/2004	30753	1081	SHELLEY RINTALA	002-20200	50.00
10/04	10/19/2004	30754	190024	ST LOUIS CO SHERIFF LITMAN	002-20200	33,334.00
10/04	10/19/2004	30755	190033	STAR TRIBUNE	002-20200	358.80
10/04	10/19/2004	30756	200020	THE TRENTI LAW FIRM	002-20200	2,667.84
10/04	10/19/2004	30757	200028	TRI CITIES BIOSOLIDS DISPOSAL	002-20200	4,745.00
10/04	10/19/2004	30758	210030	U S BANK TRUST SERVICES	002-20200	44,407.50
10/04	10/19/2004	30759	210014	U S TOY COMPANY	002-20200	340.55
10/04	10/19/2004	30760	210001	UNITED ELECTRIC COMPANY	002-20200	1,034.29
10/04	10/19/2004	30761	220014	VIKING INDUSTRIAL NORTH	002-20200	528.68
10/04	10/19/2004	30762	220004	VIRGINIA DEPARTMENT OF PUBLIC	002-20200	21,537.87
10/04	10/19/2004	30763	220020	VISA	002-20200	5,722.73
10/04	10/19/2004	30764	230005	WESCO DISTRIBUTION INC	002-20200	202.91
10/04	10/19/2004	30765	230007	WORLD MEDIA EXPRESS	002-20200	23.24
10/04	10/19/2004	30766	240001	XEROX CORPORATION	002-20200	660.05

Totals:

201,146.92

Payroll - PP Ending 10/8/04

48,786.72

TOTAL EXPENDITURES

\$249,933.64

10/27/2004

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CITY COUNCIL





# 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 30-04

### AUTHORIZING THE ACCEPTANCE OF CERTAIN PROPERTY

**WHEREAS**, the City Council has heretofore determined that it is beneficial to the City of Mountain Iron to accept certain property from the USX Corporation.

**NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the Mayor and City Administrator execute the acceptance of the deed to the City of Mountain Iron from the USX Corporation for the following described real estate:

Parcel 1- Part of NE  $\frac{1}{4}$ -SE  $\frac{1}{4}$ , Sec. 9 lying easterly of DM & IR RR ROW; NW  $\frac{1}{4}$ -SW  $\frac{1}{4}$ , Sec. 10 lying easterly of DM & IR RR ROW; part of NE  $\frac{1}{4}$ -SW  $\frac{1}{4}$ , Sec. 10 lying westerly of County Road 102 ROW and north of north line of existing RR (Wacootah Spur) ROW; part of SW  $\frac{1}{4}$ -SW  $\frac{1}{4}$ , Sec. 10 lying easterly of DM & IR RR ROW and northerly of north line of existing RR (Wacootah Spur) ROW. 58.74 acres, EXCEPTING and RESERVING therefrom all of the minerals within and under the SW $\frac{1}{4}$  of SW $\frac{1}{4}$ , Sec. 10, Twp. 58N, R18W;

Parcel 2- Part of SW  $\frac{1}{4}$ -SW  $\frac{1}{4}$ , Sec. 10 lying easterly of DM & IR RR ROW, northerly of Highway 169 ROW and southerly of north line of existing RR (Wacootah Spur) ROW. 13.48 acres, EXCEPTING and RESERVING therefrom all of the minerals within and under the SW $\frac{1}{4}$  of SW $\frac{1}{4}$ , Sec. 10, Twp. 58N, R18W;

Parcel 3-All of Seller's undivided ownership in part of SW  $\frac{1}{4}$ -NW  $\frac{1}{4}$ , Sec. 10. 33.57 acres, EXCEPTING and RESERVING therefrom part of the minerals within and under the SW $\frac{1}{4}$  of NW $\frac{1}{4}$ , Sec. 10, Twp. 58N, R18W;

Parcel 5- Part of NW  $\frac{1}{4}$ -NW  $\frac{1}{4}$ , Sec. 10 except part platted as Merritts First Addition to Mt. Iron and Blocks 21 and 24 Merritts Addition to Grant. 16.85 acres, EXCEPTING and RESERVING therefrom part of the minerals within and under the NW $\frac{1}{4}$  of NW $\frac{1}{4}$ , Sec. 10, Twp. 58N, R18W;

All in T. 58N- R. 18W, St. Louis County, Minnesota.(hereinafter "Premises");

TOGETHER with all the appurtenances, easements, hereditaments, and access rights pertaining to the property, and all other rights of Seller in and to the property. The transaction contemplated herein between Seller and Buyer is subject to:

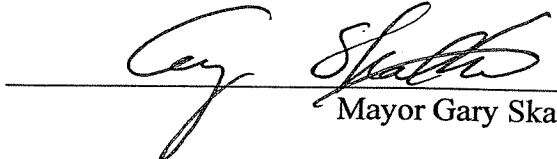
1. License to the City of Mountain Iron, Minnesota dated September 29, 1981 for a well and water line on part of the Premises.

2. Lease to the City of Mountain Iron, Minnesota dated January 1, 1998 for a gravel stockpile site, electrical substation and water pumping and supply station on part of the Premises.
3. Lease to the City of Mountain Iron, Minnesota dated January 1, 1998 for a water line and electric transmission line on part of the Premises.
4. Easement to the City of Mountain Iron, Minnesota dated September 21, 1998 for a water pipe line on part of the Premises.
5. License to the City of Mountain Iron, Minnesota dated August 21, 1964 for an underground sewer line on part of the Premises.
6. Easement to Minnesota Power & Light Company dated November 30, 1983 for an electric transmission line across part of the Premises.
7. Easement to St. Louis County dated April 6, 1987 for a public highway right-of-way for CSAH 102
8. License to Northern Natural Gas Company dated October 6, 1965 for a gas pipeline across part of the Premises.
9. License to St. Louis & Lake County Counties Regional Rail Authority for a multi-purpose recreational trail across part of the Premises.

**DULY ADOPTED BY THE CITY COUNCIL THIS 18<sup>th</sup> DAY OF OCTOBER, 2004.**

ATTEST:

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

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

**COUNCIL LETTER 110104-IVB1**

**ADMINISTRATION**

**TEMPORARY LIQUOR LICENSE**

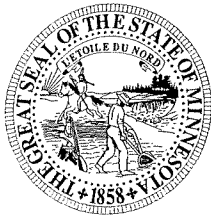
**DATE:** October 26, 2004

**FROM:** Craig J. Wainio  
City Administrator

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The VRMC is requesting temporary liquor license. The license is for an event to be held at the Community Center. The City Council is required to approve all licenses, which are then sent to the State Liquor Control Board for final approval.

It is recommended that the City Council approve the temporary liquor licenses for the VRMC.



Minnesota Department of Public Safety  
Alcohol and Gambling Enforcement Division  
444 Cedar St. – Suite 133  
St. Paul, MN 55101-5133



(651) 215-6209 TTY (651) 282-6555

## APPLICATION AND PERMIT FOR A TEMPORARY ON-SALE LIQUOR LICENSE

### TYPE OR PRINT INFORMATION

NAME OF ORGANIZATION <i>Virginia Regional Medical Center</i>	DATE ORGANIZED <i>1936</i>	TAX EXEMPT NUMBER <i>41-6 005596</i>	
STREET ADDRESS <i>901 North 9th St.</i>	CITY <i>Virginia</i>	STATE <i>MN</i>	ZIP CODE <i>55792</i>
NAME OF PERSON MAKING APPLICATION <i>Kathleen Murray</i>	BUSINESS PHONE <i>(218) 749-9481</i>	HOME PHONE <i>(218) 741-3911</i>	
DATES LIQUOR WILL BE SOLD <i>Nov 17, 19, 20 / 2004</i>	TYPE OF ORGANIZATION <input type="checkbox"/> CLUB <input type="checkbox"/> CHARITABLE <input type="checkbox"/> RELIGIOUS <input checked="" type="checkbox"/> OTHER NONPROFIT		
ORGANIZATION OFFICER'S NAME <i>Shelly Lindberg</i>	ADDRESS <i>420-6th St. So. Virginia MN 55792</i>		
ORGANIZATION OFFICER'S NAME <i>Sandy Wallin</i>	ADDRESS <i>301 So. 9th St., Virginia MN 55792</i>		
ORGANIZATION OFFICER'S NAME <i>Pet Grabelic</i>	ADDRESS <i>2102 So. 14th Ave., Virginia MN 55792</i>		

Location where license will be used. If an outdoor area, describe:

*Mt. Iron Community Center*  
*8586 Enterprise Dr.*  
*Mt Iron MN 55768*

Will the applicant contract for intoxicating liquor services? If so, give the name and address of the liquor licensee providing the service.

*Adventures Restaurant*  
*5475 Mt. Iron Dr.*  
*Virginia MN 55792 218-741-7151*

Will the applicant carry liquor liability insurance? If so, the carrier's name and amount of coverage.

(NOTE: Insurance is not mandatory.)

### APPROVAL

APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL & GAMBLING ENFORCEMENT

CITY/COUNTY \_\_\_\_\_  
CITY FEE AMOUNT \_\_\_\_\_  
DATE FEE PAID \_\_\_\_\_

DATE APPROVED \_\_\_\_\_  
LICENSE DATES \_\_\_\_\_

SIGNATURE CITY CLERK OR COUNTY OFFICIAL \_\_\_\_\_

APPROVED Alcohol & Gambling Enforcement Director \_\_\_\_\_

Note: Do not separate these two parts, send both parts to the address above and the original signed by this division will be returned as the license. Submit to the City or County at least 30 days before the event.

PS-09079 6/02

10/27/2004

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CITY COUNCIL

**COUNCIL LETTER 110104-IVB2**

**ADMINISTRATION**

**16<sup>TH</sup> AVENUE PROJECT**

**DATE:** October 26, 2004

**FROM:** Craig J. Wainio  
City Administrator

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The City of Virginia has contacted staff regarding the 16<sup>th</sup> Avenue feasibility report and proposed construction project. Virginia is proposing to partner with the Mountain Iron on this project, with the costs for the street repairs, curb and gutter and storm sewer being shared equally among the two cities. Costs for the repair to the water and wastewater system will be paid by Virginia. Virginia is also requesting that the City of Mountain Iron take the lead on this proposed project. A copy of the feasibility report is included for your information.

If the City Council would like to proceed in this matter, the appropriate resolutions will be drafted and available at the next regular City Council meeting.



FEASIBILITY REPORT  
16<sup>th</sup> AVENUE WEST  
(8<sup>th</sup> STREET SOUTH TO 13<sup>th</sup> STREET SOUTH)

CITY OF MOUNTAIN IRON  
&  
CITY OF VIRGINIA

BENCHMARK PROJECT NO.: MI04-26

PREPARED BY:

Paul R. Tokarczyk, E.I.T.

REVIEWED BY:

Eric E. Hallstrom, P.E., Reg. #40351

BENCHMARK ENGINEERING, INC.  
8878 Main Street • P.O. Box 261 • Mt. Iron, MN 55768-0261  
(218) 735-8914 Telephone • (218) 735-8923 Fax

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**STREET & STORM SEWER COST ESTIMATE**

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# **16<sup>th</sup> Avenue West (8<sup>th</sup> St. South to 13<sup>th</sup> St. South)**

## **Feasibility Report**

**MI04-26**

### **Background**

The City of Mountain Iron requested a feasibility study and associated recommendations for 16<sup>th</sup> Avenue West. It is the understanding of Benchmark Engineering, Inc. that this project may be a joint effort between the City of Mountain Iron & the City of Virginia. The purpose of this report is to assess the feasibility of the reconstruction of 16<sup>th</sup> Avenue West, located on the municipal boundary of Mountain Iron and Virginia, Minnesota.

### **Existing Conditions**

Currently, 16<sup>th</sup> Avenue West contains numerous potholes and bumps resulting in a rough driving surface. This appears to be the result of frost heave of the existing storm sewer and roadway. Numerous storm sewer catch basins and manholes protrude above the existing pavement surface and their present conditions make them virtually ineffective.

Many catch basins hold water and are not adequately conveying storm drainage away from the site and into the City of Virginia municipal storm sewer system. In some locations, ponding of water occurs around the storm sewer catch basins and manholes. The curb and gutter on the west side of the avenue is filled with debris and soil. Vegetation, including some brush, was observed growing in or through the curb and gutter.

Utility maps indicate that an existing 6" watermain runs beneath the roadway from 8<sup>th</sup> Street South, on the north side of the proposed project area, to the alley between 12<sup>th</sup> and 13<sup>th</sup> Streets South. This watermain is tied to existing 6" watermain running down each alley along 16<sup>th</sup> Avenue West. Two sanitary sewer mains service the existing structures located on the west side of the avenue.

### **Recommended Street and Storm Sewer Repairs**

Benchmark Engineering, Inc. recommends that a total reconstruction of 16<sup>th</sup> Avenue West be completed to alleviate the current drainage and roadway concerns. The project area would include the reconstruction of 4.5 blocks, from the 8<sup>th</sup> Street South intersection to the alley between 12<sup>th</sup> and 13<sup>th</sup> Street South. Due to the significant storm sewer heaving, curb & gutter disrepair, and overall street section inconsistency, pavement rehabilitation is not recommended. It is our opinion that this would not adequately address or alleviate the current concerns with this roadway section.

It is our recommendation that a geotechnical engineering consultant provide soil borings and pavement recommendations prior to reconstruction of 16<sup>th</sup> Avenue West. It is our understanding that this roadway section currently has an unknown depth of tailings placed beneath. This section should also be evaluated by the geotechnical engineering consultant for recommendations of options prior to reconstruction.

The attached construction cost estimate assumes that a 32-foot wide street with curb and gutter would be reconstructed. A 2-foot roadway subcut would be utilized to remove the existing section that is susceptible to the frost heaving. The proposed street cross section would be reconstructed with a layer of geotextile fabric for separation of materials, 4" HDPE drain tile adjacent to the curb lines, 11" of select granular material, 8" of Class V, and 5" of bituminous surfacing.

It is assumed that existing storm sewer main within 16<sup>th</sup> Avenue West is reinforced concrete pipe (RCP). Benchmark Engineering attempted to verify this by removing covers and examining in storm sewer catch basins and manholes, however, most manholes had storm water ponding to a depth that made it unable to verify pipe types. This is most likely due to the excessive storm sewer main heaving as evidenced by the pavement surface.

For the aforementioned reasons, it is recommended that a complete storm sewer reconstruction be performed along with the roadway reconstruction. This would involve all catch basins and storm sewer main along the east side of the road from 9<sup>th</sup> Street South to the south end of the project area. In addition, the catch basins and connecting pipes in the 8<sup>th</sup> Street South intersection should also be reconstructed. The storm sewer replacement would include approximately 9 manholes, 20 catch basins, and 1,660 feet of storm sewer pipe (RCP). Please refer to the enclosed cost estimate.

### **Recommended Utility Repairs**

It is Benchmark Engineering, Inc.'s opinion that the Virginia Public Utilities be made aware of this proposed project, in order for them to substantially evaluate their public utilities located within the roadway section. Based upon City of Virginia utility maps, it appears that there is a 6" watermain along the entire length of 16<sup>th</sup> Avenue West. The age of this watermain or the type of material is unknown. If so desired by the Virginia Public Utilities, the watermain replacement would amount to approximately 1,690 feet of 6" ductile iron pipe.

In addition, the City of Virginia should also consider replacement of the two sanitary sewer main crossings located within the scope of this project. Upon initial evaluation, it appears that some of the sanitary main is PVC, while another portion of it may be a clay tile main. At a minimum it would be our recommendation that the clay tile mains be reconstructed and the PVC mains be evaluated further (i.e. video tape if available). The sanitary sewer crossings vary in length with one being a 4" service line and the other an 8" main line.

## **Summary**

It is the opinion of Benchmark Engineering, Inc. that a total reconstruction of 16<sup>th</sup> Avenue West is the preferred corrective action. Included with this reconstruction would be the complete replacement and enhancement of the entire municipal storm sewer system within the limits of the project. The proposed reconstruction consists of a 32' foot wide street section with curb and gutter. The cost of this complete reconstruction would be approximately \$350,000.

If so desired by the City of Virginia and the Virginia Public Utilities, the water and sanitary sewer main could also be added to the scope of the work for the project. At this time further analysis, evaluation and discussion with the VPU would be required prior to making a recommendation regarding these utilities. An additional cost of approximately \$80,000 would be needed for the replacement of these public mains.



September 28, 2004

ENGINEER'S ESTIMATE OF QUANTITIES AND OPINION OF COST  
 16th AVENUE FEASIBILITY STUDY - STREET AND STORM SEWER RECONSTRUCTION  
 MOUNTAIN IRON & VIRGINIA, MINNESOTA  
 PROJECT NO: MI04-26


SPEC. NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2101.511	CLEARING & GRUBBING	ACRE	\$2,000.00	0.3	\$600.00
2104.501	REMOVE CONC. CURB & GUTTER	LIN. FT.	\$2.00	3,500.0	\$7,000.00
2104.501	REMOVE PIPE SEWERS	LIN. FT.	\$6.00	1,660.0	\$9,960.00
2104.503	REMOVE CONCRETE SIDEWALK	SQ. FT.	\$1.25	180.0	\$225.00
2104.505	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	\$2.00	6,500.0	\$13,000.00
2104.505	REMOVE MANHOLE OR CATCH BASIN	EACH	\$150.00	29.0	\$4,350.00
2104.513	SAW PAVEMENT - FULL DEPTH	LIN. FT.	\$3.50	650.0	\$2,275.00
2105.501	COMMON EXCAVATION (CV)	CU. YD.	\$6.00	3,800.0	\$22,800.00
2105.522	SELECT GRANULAR BORROW (CV)	CU. YD.	\$7.00	2,300.0	\$16,100.00
2105.525	TOPSOIL BORROW (CV)	CU. YD.	\$15.00	90.0	\$1,350.00
2105.604	GEOTEXTILE FABRIC	SQ. YD.	\$1.60	7,400.0	\$11,840.00
2211.503	AGG. BASE CL. 5 (CV)	CU. YD.	\$12.00	1,650.0	\$19,800.00
2350.501	TYPE LV 4 WEARING COURSE MIXTURE (A)	TON	\$36.00	900.0	\$32,400.00
2350.502	TYPE LV 3 NON WEARING COURSE MIXTURE (A)	TON	\$34.00	1,350.0	\$45,900.00
2357.502	BIT. MATERIAL FOR TACK COAT	GAL.	\$1.50	310.0	\$465.00
2502.541	4" PERFORATED P.E. PIPE DRAIN	LIN. FT.	\$5.00	3,500.0	\$17,500.00
2503.541	15" RC PIPE SEWER CLASS III	LIN. FT.	\$32.00	470.0	\$15,040.00
2503.541	18" RC PIPE SEWER CLASS III	LIN. FT.	\$34.00	220.0	\$7,480.00
2503.541	24" RC PIPE SEWER CLASS III	LIN. FT.	\$42.00	665.0	\$27,930.00
2503.541	30" RC PIPE SEWER CLASS III	LIN. FT.	\$54.00	300.0	\$16,200.00
2503.602	CONNECT TO EXISTING STORM SEWER	EACH	\$250.00	6.0	\$1,500.00
2506.501	CONST DRAINAGE STRUCTURE DES 48-4020	LIN. FT.	\$250.00	26.0	\$6,500.00
2506.501	CONST DRAINAGE STRUCTURE DES 60-4020	LIN. FT.	\$350.00	13.5	\$4,725.00
2506.501	CONST. DRAINAGE STRUCTURE DES. G	LIN. FT.	\$210.00	85.0	\$17,850.00
2506.602	CONNECT TO EXISTING STORM MANHOLE	EACH	\$1,000.00	1.0	\$1,000.00
2506.516	CASTING ASSEMBLY	EACH	\$350.00	29.0	\$10,150.00
2506.522	ADJUST FRAME AND RING CASTINGS	EACH	\$250.00	3.0	\$750.00
2521.501	4" CONCRETE WALK	SQ. FT.	\$2.00	180.0	\$360.00
2531.507	7" CONCRETE DRIVEWAY PAVEMENT	SQ. YD.	\$35.00	35.0	\$1,225.00
2575.505	CONCRETE CURB & GUTTER-DES. B618	LIN. FT.	\$9.00	3,500.0	\$31,500.00
2575.505	SODDING LAWN TYPE	SQ. YD.	\$4.00	1,035.0	\$4,140.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$2,500.00	1.0	\$2,500.00

SUBTOTAL: \$317,005.00  
 CONTINGENCIES: \$31,700.50  
 DESIGN & CONSTRUCTION ENGINEERING: \$60,230.95

ESTIMATED ROADWAY & STORM SEWER CONSTRUCTION COST: **\$408,936.45**

NOTES:

1. Estimate includes 33' wide bituminous street with curb & gutter, 2' subcut.
2. Street sub-cut includes: 11" select material w/fabric, 8" CL. 5 and 5" bituminous paving.

  
 BENCHMARK ENGINEERING, INC.

10/27/2004

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CITY COUNCIL



**ENGINEER'S ESTIMATE OF QUANTITIES AND OPINION OF COST**  
**16th AVENUE FEASIBILITY STUDY - UTILITY RECONSTRUCTION**  
**MOUNTAIN IRON & VIRGINIA, MINNESOTA**  
**PROJECT NO: MI04-26**

SPEC. NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2503.511	4" PVC PIPE SEWER - SDR 35	LIN. FT.	\$25.00	50.0	\$1,250.00
2503.511	8" PVC PIPE SEWER - SDR 35	LIN. FT.	\$30.00	65.0	\$1,950.00
2503.602	CONNECT TO EXISTING SANITARY SEWER	EACH	\$250.00	4.0	\$1,000.00
2503.602	8" X 6" SEWER WYE	EACH	\$200.00	2.0	\$400.00
2504.602	8" WATERMAIN DUCTIL IRON CL. 52	LIN. FT.	\$26.00	2,000.0	\$52,000.00
2504.602	0.75" TYPE "K" COPPER PIPE	LIN. FT.	\$20.00	320.0	\$6,400.00
2504.602	1.5" CURB STOP & BOX	EACH	\$150.00	8.0	\$1,200.00
2504.602	0.75" CORP. STOP	EACH	\$110.00	8.0	\$880.00
2504.602	F. & I. HYDRANT AND VALVE	EACH	\$2,750.00	2.0	\$5,500.00
2504.602	F. & I. 8" GATE VALVE & BOX	EACH	\$850.00	5.0	\$4,250.00
2504.608	WATERMAIN FITTINGS	POUND	\$2.00	500.0	\$1,000.00

**SUBTOTAL:** \$75,830.00  
**CONTINGENCIES:** \$7,583.00  
**DESIGN & CONSTRUCTION ENGINEERING:** \$14,407.70

**ESTIMATED WATER & SANITARY SEWER CONSTRUCTION COST:** \$97,820.70

**NOTES:**

1. Actual number of water & sewer services is unknown.
2. Assumes reconstruction of existing water and sanitary sewer main within the project area.

  
 BENCHMARK ENGINEERING, INC.

**COUNCIL LETTER 110104-IVC1**

**STREET DEPARTMENT**

**LOADER TIRE REPLACEMENT**

**DATE:** October 28, 2004

**FROM:** Don Kleinschmidt  
Director of Public Works

Craig J. Wainio  
City Administrator

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Quote tabulations for loader tires are as follows:

1. Pomp's Tire Service	Virginia MN	\$5314.00
2. Taconite Tire	Virginia MN	\$6675.12

Staff is requesting City Council approval to purchase tires for the loader from Pomp's Tire at their low quote of \$5314.00.

This purchase is from the 2004 Street Department budget.

**COUNCIL LETTER 110104-IVD1**

**PARKS & RECREATION**

**BLIGHT PROPERTIES**

**DATE:** October 28, 2004

**FROM:** Larry Nanti  
Director of Parks & Recreation

Craig J. Wainio  
City Administrator

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Staff has received signed complaints regarding two properties on Mud Lake Road. One is the Archibald property at 8487 Mud Lake Road and the other is the LaPatka property at 8537 & 8539 Mud Lake Road.

Due to the severity of the problems, I would like a meeting set-up the Fire Chief Tom Cvar, the building inspector, Jerry Kujala, the City Attorney, Sam Aluni, and Sergeant Joe Stewart from the Sheriff's Department to develop a plan. Also, a Council representative should be in attendance.

To: Mountain Iron City Council  
From: Mountain Iron Library Board  
Date: 22 October 2004  
Re: Substitute Hours

The library director and the assistant have started the extensive job of weeding the library collection. Since this is a very time consuming job, the board approved having the library substitute come into the library and work extra hours. She would come in and handle the desk and other every day jobs. Mrs. Anderson and Mrs. Luoma would then be able to work exclusively at weeding the collection.

We are at this time asking that you honor our request and allow us to have Mrs. Nieters work extra hours at the library.



**COUNCIL LETTER 110104-VA**

**ADMINISTRATION**

**2005 BUDGET**

**DATE:** October 26, 2004

**FROM:** Craig J. Wainio  
City Administrator

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Enclosed, please find the proposed 2005 budget. The City Council should start to determine in what direction they would like to proceed in the budget development process. Especially in terms of a 2005 levy amount. Please review and comment in reference to the proposed 2005 budget.

**2005 (PROPOSED) BUDGET SUMMARY  
CITY OF MOUNTAIN IRON**

EXPENDITURES	2004 Budget	2005 Budget	Difference	Percent
Administration	\$ 441,500.00	\$ 451,000.00	\$ 9,500.00	2.2%
Public Safety	\$ 483,300.00	\$ 494,300.00	\$ 11,000.00	2.3%
Public Works	\$ 638,500.00	\$ 670,000.00	\$ 31,500.00	4.9%
Culture and Rec	\$ 328,930.00	\$ 336,080.00	\$ 7,150.00	2.2%
General Government	\$ 666,490.00	\$ 694,894.00	\$ 28,404.00	4.3%
TOTAL	\$ 2,558,720.00	\$ 2,646,274.00	\$ 87,554.00	3.4%
REVENUE				
Taxes	\$ 115,324.00	\$ 113,625.00	\$ (1,699.00)	-1.5%
Intergovernmental Aid	\$ 1,293,084.00	\$ 1,388,747.00	\$ 95,663.00	7.4%
General Revenue	\$ 278,500.00	\$ 228,500.00	\$ (50,000.00)	-18.0%
TOTAL	\$ 1,686,908.00	\$ 1,730,872.00	\$ 43,964.00	2.6%
GENERAL LEVY	\$ 871,812.00	\$ 915,402.00	\$ 43,590.00	5.0%

# **2005 (PROPOSED) BUDGET SUMMARY** **CITY OF MOUNTAIN IRON** **REVENUE**

GENERAL REVENUE	2003 Budget	2004 Budget	Difference	Percent
Lic. & Permits	\$ 21,500.00	\$ 21,500.00	\$ -	0.0%
Charges for Service	\$ 28,000.00	\$ 28,000.00	\$ -	0.0%
Fines	\$ 9,000.00	\$ 9,000.00	\$ -	0.0%
Interest	\$ 40,000.00	\$ 40,000.00	\$ -	0.0%
Refunds	\$ 150,000.00	\$ 100,000.00	\$ (50,000.00)	-33.3%
General	\$ 30,000.00	\$ 30,000.00	\$ -	0.0%
Subtotal	\$ 278,500.00	\$ 228,500.00	\$ (50,000.00)	-18.0%

## **INTERGOVERNMENTAL REVENUE**

Local Government Aid	\$ 430,584.00	\$ 526,247.00	\$ 95,663.00	22.2%
Taconite Production Tax	\$ 450,000.00	\$ 450,000.00	\$ -	0.0%
Taconite Municipal Aid	\$ 300,000.00	\$ 300,000.00	\$ -	0.0%
Mining Effects Tax	\$ 100,000.00	\$ 100,000.00	\$ -	0.0%
Other	\$ 12,500.00	\$ 12,500.00	\$ -	0.0%
Subtotal	\$ 1,293,084.00	\$ 1,388,747.00	\$ 95,663.00	7.4%

## **TAXES**

Tax Levy	\$ 871,812.00	\$ 871,812.00	\$ -	0.0%
Market Rate Levy	\$ 84,824.00	\$ 83,125.00	\$ (1,699.00)	-2.0%
Misc. Taxes	\$ 10,500.00	\$ 10,500.00	\$ -	0.0%
Franchise	\$ 20,000.00	\$ 20,000.00	\$ -	0.0%
Subtotal	\$ 987,136.00	\$ 985,437.00	\$ (1,699.00)	-0.2%

<b>Total</b>	<b>\$ 2,558,720.00</b>	<b>\$ 2,602,684.00</b>	<b>\$ 43,964.00</b>	<b>1.7%</b>
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# **2005 (PROPOSED) BUDGET CITY OF MOUNTAIN IRON REVENUE**

TAXES	2002 ACTUAL	2003 ACTUAL	2004 BUDGET	2004 YTD	2005 BUDGET	%
Tax Levy	\$ 708,314.00	\$ 814,938.00	\$ 871,812.00	\$ 456,663.00	\$ 871,812.00	0.0%
Bond Levy	\$ 87,206.00	\$ 85,763.00	\$ 84,824.00	\$ 55,253.00	\$ 83,125.00	-2.0%
Misc Taxes	\$ 5,050.00	\$ 26,032.00	\$ 10,500.00	\$ 16,593.00	\$ 10,500.00	0.0%
Franchise	\$ 22,165.00	\$ 23,286.00	\$ 20,000.00	\$ 17,138.00	\$ 20,000.00	0.0%
<b>TOTAL</b>	\$ 822,735.00	\$ 950,019.00	\$ 987,136.00	\$ 545,647.00	\$ 985,437.00	-0.2%

## **INTERGOVERNMENTAL REVENUE**

LGA	\$ 528,046.00	\$ 430,584.00	\$ 430,584.00	\$ 215,292.00	\$ 526,247.00	22.2%
Tac. Prod Aid	\$ 539,555.00	\$ 562,748.00	\$ 450,000.00	\$ 665,573.00	\$ 450,000.00	0.0%
Tac. Aid	\$ 330,404.00	\$ 311,221.00	\$ 300,000.00	\$ 315,386.00	\$ 300,000.00	0.0%
Mining Effects	\$ 104,935.00	\$ 109,018.00	\$ 100,000.00	\$ -	\$ 100,000.00	0.0%
Misc. Aid	\$ 62,696.00	\$ 45,812.00	\$ 12,500.00	\$ 3,265.00	\$ 12,500.00	0.0%
<b>TOTAL</b>	\$ 1,565,636.00	\$ 1,459,383.00	\$ 1,293,084.00	\$ 1,199,516.00	\$ 1,388,747.00	7.4%

## **GENERAL REVENUE**

Lic. & Permits	\$ 25,567.00	\$ 14,863.00	\$ 21,500.00	\$ 8,468.00	\$ 21,500.00	0.0%
Charges for Service	\$ 30,296.00	\$ 196,170.00	\$ 28,000.00	\$ 36,650.00	\$ 28,000.00	0.0%
Fines	\$ 6,747.00	\$ 11,797.00	\$ 9,000.00	\$ 6,232.00	\$ 9,000.00	0.0%
Interest	\$ 52,218.00	\$ 33,715.00	\$ 40,000.00	\$ 23,192.00	\$ 40,000.00	0.0%
Refunds	\$ 154,738.00	\$ -	\$ 150,000.00	\$ 98,936.00	\$ 100,000.00	-33.3%
General	\$ 94,929.00	\$ -	\$ 30,000.00	\$ 2,701.00	\$ 30,000.00	0.0%
<b>TOTAL</b>	\$ 364,495.00	\$ 256,545.00	\$ 278,500.00	\$ 176,179.00	\$ 228,500.00	-18.0%
<b>TOTAL</b>	\$ 2,752,866.00	\$ 2,665,947.00	\$ 2,558,720.00	\$ 1,921,342.00	\$ 2,602,684.00	1.7%

**2005 (PROPOSED) BUDGET SUMMARY**  
**CITY OF MOUNTAIN IRON**  
EXPENDITURES

DEPARTMENT	2004 Budget	2005 Budget	Difference	Percent
City Council	\$ 12,500.00	\$ 13,000.00	\$ 500.00	4.0%
Administration	\$ 375,000.00	\$ 393,000.00	\$ 18,000.00	4.8%
Election	\$ 9,000.00	\$ -	\$ (9,000.00)	100.0%
Assessing	\$ 24,000.00	\$ 24,000.00	\$ -	0.0%
Planning & Zoning	\$ 21,000.00	\$ 21,000.00	\$ -	0.0%
Sheriffs	\$ 405,000.00	\$ 416,000.00	\$ 11,000.00	2.7%
Fire Protection	\$ 66,300.00	\$ 66,300.00	\$ -	0.0%
Emergency Management	\$ 1,000.00	\$ 1,000.00	\$ -	0.0%
Animal Control	\$ 11,000.00	\$ 11,000.00	\$ -	0.0%
Streets	\$ 490,000.00	\$ 520,000.00	\$ 30,000.00	6.1%
Buildings	\$ 148,500.00	\$ 150,000.00	\$ 1,500.00	1.0%
Campground	\$ 42,330.00	\$ 42,780.00	\$ 450.00	1.1%
Recreation	\$ 177,000.00	\$ 182,600.00	\$ 5,600.00	3.2%
Government	\$ 249,570.00	\$ 158,730.00	\$ (90,840.00)	-36.4%
Library	\$ 109,600.00	\$ 110,700.00	\$ 1,100.00	1.0%
Transfers	\$ 416,920.00	\$ 536,164.00	\$ 119,244.00	28.6%
Total	\$ 2,558,720.00	\$ 2,646,274.00	\$ 87,554.00	3.4%

**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
GOVERNMENT OPERATIONS**

CITY COUNCIL	2002 ACUTAL	2003 ACUTAL	2004 BUDGET	2004 YTD	2005 BUDGET	%
Council Salaries	\$ 11,816.00	\$ 19,800.00	\$ 12,500.00	\$ 11,095.00	\$ 13,000.00	4%
TOTAL	\$ 11,816.00	\$ 19,800.00	\$ 12,500.00	\$ 11,095.00	\$ 13,000.00	4%

**ADMINISTRATION**

Salaries	\$ 161,533.00	\$ 166,842.00	\$ 165,000.00	\$ 126,989.00	\$ 170,000.00	3%
Payroll Taxes	\$ 22,183.00	\$ 22,623.00	\$ 25,000.00	\$ 18,162.00	\$ 25,000.00	0%
Insurance-Group	\$ 39,374.00	\$ 44,602.00	\$ 40,000.00	\$ 35,543.00	\$ 48,000.00	20%
Insurance-General	\$ 51,475.00	\$ 63,397.00	\$ 50,000.00	\$ 39,159.00	\$ 50,000.00	0%
Independent Audit	\$ 9,860.00	\$ 9,900.00	\$ 10,000.00	\$ 12,500.00	\$ 12,000.00	20%
Engineering Fees	\$ 46,036.00	\$ 69,624.00	\$ 31,000.00	\$ 26,055.00	\$ 31,000.00	0%
Legal Fees	\$ 33,468.00	\$ 27,625.00	\$ 25,000.00	\$ 29,623.00	\$ 29,000.00	16%
Communications	\$ 9,700.00	\$ 9,679.00	\$ 9,000.00	\$ 8,391.00	\$ 9,000.00	0%
Supplies	\$ 3,628.00	\$ 4,910.00	\$ 5,000.00	\$ 2,841.00	\$ 4,000.00	-20%
Operations	\$ 43,791.00	\$ 52,385.00	\$ 15,000.00	\$ 32,397.00	\$ 15,000.00	0%
TOTAL	\$ 421,048.00	\$ 471,587.00	\$ 375,000.00	\$ 331,660.00	\$ 393,000.00	5%

**ELECTION**

Salaries	\$ 2,868.00	\$ -	\$ 4,000.00	\$ 1,088.00	\$ -	100%
Operations	\$ 3,820.00	\$ 72.00	\$ 5,000.00	\$ 438.00	\$ -	100%
TOTAL	\$ 6,688.00	\$ 72.00	\$ 9,000.00	\$ 1,526.00	\$ -	100%

**ASSESSING**

Contract Services	\$ 19,306.00	\$ 19,531.00	\$ 23,000.00	\$ 26,941.00	\$ 23,000.00	0%
Operations	\$ -	\$ 454.00	\$ 1,000.00	\$ -	\$ 1,000.00	0%
TOTAL	\$ 19,306.00	\$ 19,985.00	\$ 24,000.00	\$ 26,941.00	\$ 24,000.00	0%

**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
GOVERNMENT OPERATIONS**

<b>PLANNING &amp; ZONING</b>	<b>2002 ACTUAL</b>	<b>2003 ACTUAL</b>	<b>2004 BUDGET</b>	<b>2004 YTD</b>	<b>2005 BUDGET</b>	<b>%</b>
Salaries	\$ 12,807.00	\$ 12,062.00	\$ 16,000.00	\$ 5,520.00	\$ 16,000.00	0%
Payroll Taxes	\$ 1,688.00	\$ 1,026.00	\$ 2,000.00	\$ 796.00	\$ 2,000.00	0%
Operations	\$ 3,011.00	\$ 1,836.00	\$ 2,000.00	\$ 2,265.00	\$ 2,000.00	0%
<b>TOTAL</b>	\$ 17,506.00	\$ 14,924.00	\$ 21,000.00	\$ 8,581.00	\$ 21,000.00	0%
<b>ADMINISTRATION</b>						
<b>TOTAL</b>	\$ 476,364.00	\$ 526,368.00	\$ 441,500.00	\$ 379,803.00	\$ 451,000.00	2%

**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
PUBLIC SAFETY**

<b>POLICE PROTECTION</b>	<b>2002 ACTUAL</b>	<b>2003 ACTUAL</b>	<b>2004 BUDGET</b>	<b>2004 YTD</b>	<b>2005 BUDGET</b>	<b>%</b>
Contract Services	\$ 401,625.00	\$ 427,850.00	\$ 400,000.00	\$ 299,998.00	\$ 410,000.00	3%
Other Expenditures	\$ 7,356.00	\$ 5,332.00	\$ 5,000.00	\$ 6,666.00	\$ 6,000.00	20%
<b>TOTAL</b>	\$ 408,981.00	\$ 433,182.00	\$ 405,000.00	\$ 306,664.00	\$ 416,000.00	3%

**FIRE PROTECTION**

Salaries	\$ 17,480.00	\$ 13,033.00	\$ 18,000.00	\$ 8,344.00	\$ 18,000.00	0%
Payroll Taxes	\$ 2,705.00	\$ 2,261.00	\$ 500.00	\$ 1,068.00	\$ 500.00	0%
Training	\$ 10,726.00	\$ 7,155.00	\$ 11,000.00	\$ 6,149.00	\$ 11,000.00	0%
Maintenance	\$ 6,800.00	\$ 6,884.00	\$ 6,000.00	\$ 1,147.00	\$ 6,000.00	0%
Operations	\$ 13,910.00	\$ 10,925.00	\$ 11,000.00	\$ 9,186.00	\$ 11,000.00	0%
Firemen's Relief	\$ 20,244.00	\$ 22,090.00	\$ 19,800.00	\$ 5,400.00	\$ 19,800.00	0%
<b>TOTAL</b>	\$ 71,865.00	\$ 62,348.00	\$ 66,300.00	\$ 31,294.00	\$ 66,300.00	0%

**EMERGENCY MANAGEMENT**

Operations	\$ 25.00	\$ 25.00	\$ 1,000.00	\$ -	\$ 1,000.00	0%
<b>TOTAL</b>	\$ 25.00	\$ 25.00	\$ 1,000.00	\$ -	\$ 1,000.00	0%

**ANIMAL CONTROL**

Contract Services	\$ 10,258.00	\$ 10,259.00	\$ 10,000.00	\$ 7,694.00	\$ 10,000.00	0%
Operations	\$ 741.00	\$ 274.00	\$ 1,000.00	\$ 224.00	\$ 1,000.00	0%
<b>TOTAL</b>	\$ 10,999.00	\$ 10,533.00	\$ 11,000.00	\$ 7,918.00	\$ 11,000.00	0%

**PUBLIC SAFETY**

<b>TOTAL</b>	\$ 491,870.00	\$ 506,088.00	\$ 483,300.00	\$ 345,876.00	\$ 494,300.00	2%
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**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
PUBLIC WORKS**

STREETS	2002		2003		2004		2005	
	ACTUAL		ACTUAL		BUDGET	YTD	BUDGET	%
Salaries	\$ 287,949.00	\$	\$ 278,856.00	\$	\$ 255,000.00	\$ 222,360.00	\$ 265,000.00	4%
Payroll Taxes	\$ 38,409.00	\$	\$ 37,494.00	\$	\$ 40,000.00	\$ 31,506.00	\$ 45,000.00	13%
Insurance-Group	\$ 79,344.00	\$	\$ 95,022.00	\$	\$ 75,000.00	\$ 66,270.00	\$ 90,000.00	20%
Utilities	\$ 52,347.00	\$	\$ 47,234.00	\$	\$ 45,000.00	\$ 28,023.00	\$ 45,000.00	0%
Maintenance	\$ 45,826.00	\$	\$ 51,454.00	\$	\$ 40,000.00	\$ 48,893.00	\$ 40,000.00	0%
Supplies	\$ 14,605.00	\$	\$ 21,235.00	\$	\$ 20,000.00	\$ 17,286.00	\$ 20,000.00	0%
Operations	\$ 27,973.00	\$	\$ 8,364.00	\$	\$ 15,000.00	\$ 9,373.00	\$ 15,000.00	0%
TOTAL	\$ 546,453.00	\$	\$ 539,659.00	\$	\$ 490,000.00	\$ 423,711.00	\$ 520,000.00	6%

**BUILDINGS**

Salaries	\$ 52,072.00	\$	\$ 49,613.00	\$	\$ 56,000.00	\$ 37,963.00	\$ 56,000.00	0%
Payroll Taxes	\$ 6,780.00	\$	\$ 6,418.00	\$	\$ 8,000.00	\$ 5,024.00	\$ 9,500.00	19%
Insurance-Group	\$ 17,485.00	\$	\$ 19,360.00	\$	\$ 15,000.00	\$ 13,315.00	\$ 15,000.00	0%
Utilities	\$ 27,948.00	\$	\$ 24,519.00	\$	\$ 45,000.00	\$ 23,152.00	\$ 45,000.00	0%
Communications	\$ 1,256.00	\$	\$ 1,274.00	\$	\$ 2,000.00	\$ 847.00	\$ 2,000.00	0%
Supplies	\$ 17,970.00	\$	\$ 3,505.00	\$	\$ 9,500.00	\$ 9,057.00	\$ 9,500.00	0%
Operations	\$ 16,048.00	\$	\$ 13,931.00	\$	\$ 13,000.00	\$ 9,391.00	\$ 13,000.00	0%
TOTAL	\$ 139,559.00	\$	\$ 118,620.00	\$	\$ 148,500.00	\$ 98,749.00	\$ 150,000.00	1%

**PUBLIC WORKS**

TOTAL	\$ 686,012.00	\$	\$ 658,279.00	\$	\$ 638,500.00	\$ 522,460.00	\$ 670,000.00	5%
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**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
CULTURE AND RECREATION**

CAMPGROUND	2002 ACTUAL	2003 ACTUAL	2004 BUDGET	2004 YTD	2005 BUDGET	%
Salaries	\$ 17,365.00	\$ 15,907.00	\$ 14,600.00	\$ 13,759.00	\$ 14,600.00	0%
Payroll Taxes	\$ 1,827.00	\$ 1,541.00	\$ 1,530.00	\$ 1,276.00	\$ 1,530.00	0%
Insurance-Group	\$ 1,908.00	\$ 1,936.00	\$ 2,550.00	\$ 1,453.00	\$ 3,000.00	18%
Utilities	\$ 4,618.00	\$ 4,164.00	\$ 7,350.00	\$ 3,314.00	\$ 7,350.00	0%
Operations	\$ 15,248.00	\$ 14,460.00	\$ 14,300.00	\$ 13,970.00	\$ 14,300.00	0%
Advertising	\$ -	\$ 120.00	\$ 2,000.00	\$ -	\$ 2,000.00	0%
<b>TOTAL</b>	\$ 40,966.00	\$ 38,128.00	\$ 42,330.00	\$ 33,772.00	\$ 42,780.00	1%

**RECREATION DEPARTMENT**

Salaries	\$ 90,362.00	\$ 91,525.00	\$ 101,350.00	\$ 71,242.00	\$ 105,000.00	4%
Payroll Taxes	\$ 11,281.00	\$ 11,259.00	\$ 11,300.00	\$ 9,376.00	\$ 12,000.00	6%
Insurance-Group	\$ 20,738.00	\$ 21,284.00	\$ 13,400.00	\$ 16,964.00	\$ 20,000.00	49%
Utilities	\$ 9,305.00	\$ 10,008.00	\$ 10,300.00	\$ 6,828.00	\$ 10,300.00	0%
Maintenance	\$ 5,355.00	\$ 5,247.00	\$ 5,650.00	\$ 6,258.00	\$ 6,000.00	6%
Operations	\$ 25,490.00	\$ 19,246.00	\$ 20,200.00	\$ 20,339.00	\$ 21,000.00	4%
Mesabi Trail	\$ -	\$ -	\$ 6,500.00	\$ -	\$ -	-100%
Special Events	\$ 14,077.00	\$ 11,674.00	\$ 8,300.00	\$ 7,044.00	\$ 8,300.00	0%
<b>TOTAL</b>	\$ 176,608.00	\$ 170,243.00	\$ 177,000.00	\$ 138,051.00	\$ 182,600.00	3%

**LIBRARY**

Salaries	\$ 69,065.00	\$ 68,884.00	\$ 67,350.00	\$ 45,674.00	\$ 67,350.00	0%
Payroll Taxes	\$ 9,022.00	\$ 8,839.00	\$ 8,750.00	\$ 6,147.00	\$ 8,750.00	0%
Insurance-Group	\$ 7,348.00	\$ 8,017.00	\$ 4,900.00	\$ 4,031.00	\$ 6,000.00	22%
Utilities	\$ 4,869.00	\$ 6,704.00	\$ 8,400.00	\$ 4,908.00	\$ 8,400.00	0%
Books	\$ 15,346.00	\$ 15,943.00	\$ 12,500.00	\$ 5,675.00	\$ 12,500.00	0%
Communications	\$ 2,985.00	\$ 4,560.00	\$ 4,900.00	\$ 3,591.00	\$ 4,900.00	0%
Operations	\$ 3,960.00	\$ 3,927.00	\$ 2,800.00	\$ 4,913.00	\$ 2,800.00	0%
<b>TOTAL</b>	\$ 112,595.00	\$ 116,874.00	\$ 109,600.00	\$ 74,939.00	\$ 110,700.00	1%

**CULTURE AND RECREATION**

<b>TOTAL</b>	\$ 330,169.00	\$ 325,245.00	\$ 328,930.00	\$ 246,762.00	\$ 336,080.00	2%
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**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
GENERAL GOVERNMENT**

GENERAL GOVERNMENT	2002 ACTUAL	2003 ACTUAL	2004 BUDGET	2004 YTD	2005 BUDGET	%
Cash Short and Over	\$ 1.00	\$ 3.00	\$ 10.00	\$ 380.00	\$ 10.00	0%
Cemeteries	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	0%
Retire/Pension Contrib.	\$ 64,671.00	\$ 71,223.00	\$ 70,000.00	\$ 55,462.00	\$ 80,000.00	14%
Public Expense	\$ 17,167.00	\$ 16,276.00	\$ 6,500.00	\$ 5,006.00	\$ 6,500.00	0%
Promotion and Tourism	\$ 311.00	\$ 1,505.00	\$ 2,500.00	\$ -	\$ 2,500.00	0%
EMT Equipment	\$ 2,850.00	\$ 544.00	\$ 3,000.00	\$ 259.00	\$ 3,000.00	0%
Intergovernmental Coop	\$ 1,473.00	\$ -	\$ -	\$ 1,078.00	\$ -	0%
Contribution - QCJRA	\$ 34,232.00	\$ 20,664.00	\$ 7,560.00	\$ 7,560.00	\$ 6,720.00	-11%
Contribution - QCEDA	\$ 30,102.00	\$ -	\$ -	\$ -	\$ -	0%
Contribution - V/MI/GCC	\$ 10,000.00	\$ 5,000.00	\$ -	\$ -	\$ -	0%
Hydrants	\$ 2,139.00	\$ 7,242.00	\$ 5,000.00	\$ 380.00	\$ 5,000.00	0%
TCBDA	\$ 41,930.00	\$ 42,945.00	\$ 50,000.00	\$ 32,711.00	\$ 50,000.00	0%
QCEDA	\$ 64,753.00	\$ 64,842.00	\$ 100,000.00	\$ 20,791.00	\$ -	0%
VRMC Contribution	\$ -	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	0%
<b>TOTAL</b>	\$ 272,129.00	\$ 235,244.00	\$ 249,570.00	\$ 128,627.00	\$ 158,730.00	-36%

**TRANSFERS**

Capital Improvement	\$ 322,804.00	\$ 166,782.00	\$ 136,920.00	\$ 102,690.00	\$ 249,164.00	82%
Mining Effects	\$ 30,200.00	\$ 50,000.00	\$ 50,000.00	\$ -	\$ 50,000.00	0%
Debt Service	\$ 203,000.00	\$ 228,170.00	\$ 230,000.00	\$ 172,500.00	\$ 237,000.00	3%
<b>TOTAL</b>	\$ 556,004.00	\$ 444,952.00	\$ 416,920.00	\$ 275,190.00	\$ 536,164.00	29%

**GENERAL GOVERNMENT**

<b>TOTAL</b>	\$ 828,133.00	\$ 680,196.00	\$ 666,490.00	\$ 403,817.00	\$ 694,894.00	4%
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**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
DEBT SERVICE FUND**

REVENUE	2002 ACTUAL	2003 ACTUAL	2004 BUDGET	2004 YTD	2005 BUDGET
Interest Earnings	\$ 16,502.00	\$ 7,053.00	\$ 2,000.00	\$ 4,869.00	\$ 2,000.00
Special Assessments	\$ 34,216.00	\$ 97,226.00	\$ 17,500.00	\$ 13,572.00	\$ 15,000.00
Electric Fund	\$ -	\$ 8,106.00	\$ 8,024.00	\$ 6,019.00	\$ 8,334.00
Water Fund	\$ -	\$ 17,868.00	\$ 17,695.00	\$ 13,271.00	\$ 18,379.00
Capital Projects Fund	\$ 36,259.00	\$ -	\$ -	\$ -	\$ -
General Fund	\$ 203,000.00	\$ 228,197.00	\$ 230,000.00	\$ 172,500.00	\$ 237,000.00
<b>TOTAL REVENUE</b>	<b>\$ 289,977.00</b>	<b>\$ 358,450.00</b>	<b>\$ 275,219.00</b>	<b>\$ 210,231.00</b>	<b>\$ 280,713.00</b>
<b>EXPENSES</b>					
Principle - Community Center	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
Interest - Community Center	\$ 48,935.00	\$ 47,360.00	\$ 45,785.00	\$ 45,785.00	\$ 44,166.00
Principle - Street Improvement	\$ 45,000.00	\$ 60,000.00	\$ 65,000.00	\$ 60,000.00	\$ 65,000.00
Interest - Street Improvement	\$ 68,139.00	\$ 65,615.00	\$ 62,535.00	\$ 62,535.00	\$ 59,253.00
Principle - Water Revenue	\$ -	\$ 25,000.00	\$ 25,000.00	\$ -	\$ 25,000.00
Interest - Water Revenue	\$ 13,147.00	\$ 39,440.00	\$ 38,815.00	\$ 19,408.00	\$ 38,127.00
Agent Fees	\$ 23,174.00	\$ 125.00	\$ 2,000.00	\$ 125.00	\$ 1,000.00
<b>TOTAL EXPENSES</b>	<b>\$ 233,395.00</b>	<b>\$ 272,540.00</b>	<b>\$ 274,135.00</b>	<b>\$ 222,853.00</b>	<b>\$ 267,546.00</b>

**2005 (PROPOSED) BUDGET  
CITY OF MOUNTAIN IRON  
CHARITABLE GAMBLING**

REVENUE	2002 ACTUAL	2003 ACTUAL	2004 BUDGET	2004 YTD	2005 BUDGET
Interest Earnings	\$ 935.00	\$ 110.00	\$ 200.00	\$ 297.44	\$ 200.00
Gambling Proceeds	\$ 2,138.00	\$ 3,189.00	\$ 2,500.00	\$ 3,607.00	\$ 2,500.00
Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 3,073.00</b>	<b>\$ 3,299.00</b>	<b>\$ 2,700.00</b>	<b>\$ 3,904.44</b>	<b>\$ 2,700.00</b>
<b>EXPENSES</b>					
Allowable Expenditures	\$ 4,066.00	\$ 3,457.00	\$ 2,600.00	\$ 1,666.00	\$ 2,700.00
Administration	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 4,066.00</b>	<b>\$ 3,457.00</b>	<b>\$ 2,600.00</b>	<b>\$ 1,666.00</b>	<b>\$ 2,700.00</b>

**COUNCIL LETTER 110104-VB**

**LEGAL**

**HRA BOARD**

**DATE:** October 26, 2004

**FROM:** Craig J. Wainio  
City Administrator

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Enclosed, please find the resignations of the five HRA board members. In order to complete the process, the City Council must accept the resignations and appoint a new HRA board.

October 18, 2004

**Resignation**

Dear Mayor Skalko and Councilors:

I, Mary Jackson, do hereby resign as a member of the Board of Commissioners and as an officer of the Housing and Redevelopment Authority of the City of Mountain Iron, effective the 22<sup>nd</sup> day of October, 2004.

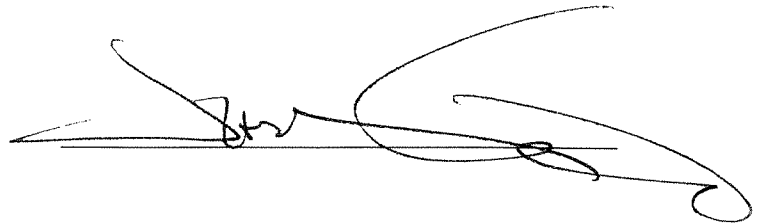
Mary Jackson

October 20, 2004

**Resignation**

Dear Mayor Skalko and Councilors:

I, JASON GROEHRING, do hereby resign as a member of the Board of Commissioners and as an officer of the Housing and Redevelopment Authority of the City of Mountain Iron, effective the 22<sup>nd</sup> day of October, 2004.

A handwritten signature in black ink, appearing to read "Jason Groehring", is written over a horizontal line.



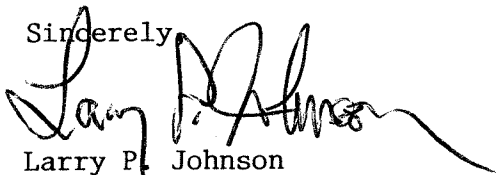
October 20, 2004

Mayor & City Council  
City of Mountain Iron  
8586 Enterprise Drive So.  
Mountain Iron, MN 55768

Dear Mayor & Councilors:

I am writing to resign as a member of the Board of Commissioners of the Mountain Iron Housing & Redevelopment Authority effective October 22, 2004 to facilitate the City Council being named the Board of Commissioners of the Housing and Redevelopment Authority and to enable the Economic Development Authority to better proceed with its mission.

Sincerely,

A handwritten signature in black ink, appearing to read "Larry P. Johnson", with a long, sweeping horizontal line extending to the right.

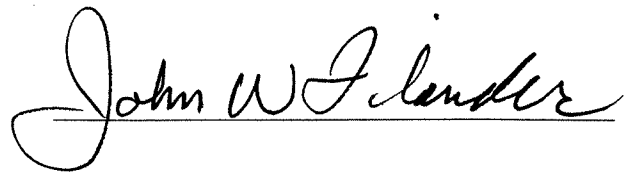
Larry P. Johnson  
P. O. Box 446  
Mountain Iron, MN 55768

October 20, 2004

**Resignation**

Dear Mayor Skalko and Councilors:

I, John Filander, do hereby resign as a member of the Board of Commissioners and as an officer of the Housing and Redevelopment Authority of the City of Mountain Iron, effective the 22<sup>nd</sup> day of October, 2004.

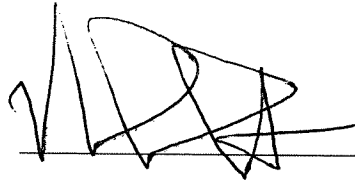
A handwritten signature in cursive script that reads "John W. Filander". The signature is written in dark ink and is positioned above a horizontal line.

October ~~22~~ 2004

**Resignation**

Dear Mayor Skalko and Councilors:

I, MICHAEL E. LAMBERT, do hereby resign as a member of the Board of Commissioners and as an officer of the Housing and Redevelopment Authority of the City of Mountain Iron, effective the 22<sup>nd</sup> day of October, 2004.



A handwritten signature in black ink, appearing to read 'MICHAEL E. LAMBERT', is written over a horizontal line.

**COUNCIL LETTER 110104-VIA**

**ADMINISTRATION**

**RESOLUTION 41-04**

**DATE:** October 28, 2004

**FROM:** Craig J. Wainio  
City Administrator

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As a part of the migration from an HRA to an EDA, the City Council needs to hold a public hearing to consider the new redevelopment plan. The EDA has granted its preliminary approval of the plan. The public hearing would be scheduled for the next regular meeting of the City Council.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 41-04

### **CALLING FOR A PUBLIC HEARING ON THE PROPOSAL OF THE MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY TO ESTABLISH A REDEVELOPMENT PROJECT AND ADOPT A REDEVELOPMENT PLAN THEREFOR AND ESTABLISH A DEVELOPMENT DISTRICT AND ADOPT A DEVELOPMENT PROGRAM THEREFOR**

**BE IT RESOLVED BY THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF  
MOUNTAIN IRON, ST. LOUIS COUNTY, MINNESOTA (THE 'CITY'), as follows:**

Section 1. Recitals of Fact. The Council makes the following recitals of fact:

- A. Pursuant to Minnesota Statutes, Sections 469.090 through 469.1081, the City has established the Mountain Iron Economic Development Authority (the "Authority") and authorized the Authority to exercise development and redevelopment powers under Minnesota Statutes, Sections 469.001 through 469.047, 469.090 through 469.108 and 469.124 through 469.134 (collectively, the 'Act').
- B. In furtherance of the objectives of the Authority, the Authority is considering establishment of a Project Area (the 'Redevelopment Project') in the City and adoption of a Redevelopment Plan therefore (the 'Redevelopment Plan') pursuant to Sections 469.027 and 469.028 of the Act. The Authority has prepared the Redevelopment Plan in accordance with Sections 469.027 and 469.028 of the Act.
- C. In furtherance of the objectives of the Authority, the Authority is considering establishment of a Development District (the "Development District") in the City and adoption of a Development Program therefore (the "Development Program") pursuant to Sections 469.125 and 469.126 of the Act. The Authority has prepared the Development Program in accordance with Sections 469.125 and 469.126 of the Act.
- D. The Authority has expressed its intent that the Redevelopment Project and the Development District be coterminous, encompassing the entire jurisdiction of the City (the "Project Area").

- E. The Authority has incorporated the Redevelopment Plan and the Development Program into one document entitled "Redevelopment Plan/Development Program for Project Area No. 1" (the "Plan").
- F. The Authority has informed the Council that it has transmitted the Plan to the Planning Commission pursuant to Section 469.027 and Section 469.126, subdivision 1 of the Act, for its study and has requested the written comments of the Planning Commission.
- G. The Authority has requested that the Council hold a public hearing on the Plan and approve Project Area No. 1 and the Plan pursuant to Section 469.028, subdivision 1 and Section 469.126, subdivision 1.

Section 2. Public Hearing.

- A. The Council will hold a public hearing on the Plan at a regular meeting of the Council to be held in City Hall on Monday, November 15, 2004, commencing at 6:30 p.m. The Administrator, or his designee, is authorized and directed to publish the Notice of Public Hearing attached hereto as Exhibit A in a newspaper of general circulation in the City not less than 10 nor more than 30 days prior to the date of the public hearing.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF NOVEMBER, 2004.**

ATTEST:

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

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

**EXHIBIT A**

**CITY OF MOUNTAIN IRON, MINNESOTA  
NOTICE OF PUBLIC HEARING**

**ON THE PROPOSAL OF THE MOUNTAIN IRON ECONOMIC DEVELOPMENT  
AUTHORITY TO ESTABLISH A REDEVELOPMENT PROJECT AND ADOPT A  
REDEVELOPMENT PLAN THEREFOR AND ESTABLISH A DEVELOPMENT  
DISTRICT AND ADOPT A DEVELOPMENT PROGRAM THEREFOR**

NOTICE IS HEREBY GIVEN that the City Council of the City of Mountain Iron, St. Louis County, Minnesota (the "City"), will conduct a public hearing in the City Hall, 8586 Enterprise Drive South, in the City on Monday, November 15, 2004, at 6:30 p.m., or as soon thereafter as the matter can be considered, to consider the proposal of the Mountain Iron Economic Development Authority (the "Authority") to approve a redevelopment plan (the "Redevelopment Plan") for a Redevelopment Project (the "Redevelopment Project") and approve a Development Program (the "Development Program") for a Development District (the "Development District"), all in the City. The Redevelopment Plan and Development Program are proposed to be approved pursuant to Minnesota Statutes, Chapter 469.

The area to be included in the Redevelopment Project and the Development District encompass the entire area of the City. Draft copies of the Redevelopment Plan and Development Program are contained in a document entitled "Redevelopment Plan/Development Program for Project Area No. 1" (the "Plan") and are available for public inspection in the office of the City Administrator during normal business hours.

Any person wishing to be heard with respect to the approval of the Plan and establishing Project Area No. 1 will be heard orally or in writing at the public hearing.

BY ORDER OF THE CITY COUNCIL

/s/ Craig Wainio, City Administrator

PROPOSED SCHEDULE

**MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF MOUNTAIN IRON, MINNESOTA  
REDEVELOPMENT PLAN/DEVELOPMENT PROGRAM**

Date	Action	Timing/Statutory Criteria
	Preparation of Redevelopment Plan/Development Program	(M.S. Sec. 469.027)
	Review of draft Redevelopment Plan/Development Program by EDA Executive Director	
Wednesday, October 20, 2004	Preliminary Approval of Redevelopment Plan/Development Program by EDA Board of Commissioners	(M.S. Sec. 469.027)
Monday, October 25, 2004	Planning Commission reviews and comments on Redevelopment Plan/Development Program	(M.S. Sec. 469.027)
Monday, November 1, 2004	City Council Resolution scheduling public hearing on Redevelopment Plan/Development Program	(M.S. Sec. 469.028 and 469.126)
No later than Tuesday, November 2, 2004	Notice of a public hearing is delivered to the <i>Mesabi Daily News</i> to be published	(M.S. Sec. 469.028)
No later than Friday, November 5, 2004	Notice of a hearing on the Redevelopment Plan/Development Program is published in the <i>Mesabi Daily News</i>	Must be published at least once not more than ten days nor more than 30 days prior to the hearing (M.S. Sec. 469.028)
Monday, November 15, 2004	Public hearing on Redevelopment Plan/Development Program held; City Council Resolution approving Redevelopment Plan/Development Program	At least ten days, but not more than 30 days following publication of notice of the hearing (M.S. Sec. 469.028)
Wednesday, November 17, 2004	Final Approval of Redevelopment Plan/Development Program by EDA Board of Commissioners	
After EDA action taken Wednesday, November 17, 2004	HRA Resolution conveying assets to EDA	

The EDA meets on the first and third Wednesday of each month  
The Planning Commission meets on the second and fourth Monday of each month  
The City Council meets on the first and third Monday of each month

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10/27/2004

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CITY COUNCIL



*Draft of: October 13, 2004*

**MT. IRON ECONOMIC DEVELOPMENT AUTHORITY**

**REDEVELOPMENT PLAN/DEVELOPMENT PROGRAM  
FOR  
PROJECT AREA NO. 1**

Public Hearing: November 15, 2004

Approved:

City of Mountain Iron, Minnesota - November 15, 2004  
Mt. Iron Economic Development Authority - November 17, 2004

This instrument was drafted by:

Fryberger, Buchanan, Smith & Frederick, P.A.  
302 West Superior Street, Suite 700  
Duluth, Minnesota 55802

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## **REDEVELOPMENT PLAN/DEVELOPMENT PROGRAM**

### **Introduction**

Pursuant to the authority granted in Minnesota Statutes Sections 469.090 through 469.1081, the Mt. Iron Economic Development Authority (the "Authority") proposes to create Project Area No. 1, as a Redevelopment Project under Minnesota Statutes, Sections 469.001 through 469.047 and a Development District under Minnesota Statutes, Sections 469.124 through 469.134. The Authority has determined that there is a need for the Authority and the City of Mountain Iron, Minnesota (the "City") to take certain actions designed to encourage, ensure and facilitate development and redevelopment by the private sector for the purpose of promoting economic development and job creation and removing, preventing, reducing blight, blighting factors or other causes of blight on lands located within the City. In addition, there is a need to undertake action that will lead to building improvements, building construction and reconstruction, and building repair to provide affordable, decent, safe and sanitary housing for persons of moderate and low incomes and their families. Such a program will also improve the tax base of the City, the County and the School District, thereby enabling them to better utilize existing public facilities, to provide needed public services, and to improve the general economy of the City, the County and the State.

The Project Area for Project Area No. 1 includes all of the City. The boundaries of the Project Area are the same as the boundaries of the City.

### **Chapter 1 Definitions and Exhibits**

Section 1.01 - Definitions. The terms defined in this section have the meanings given herein, unless the context in which they are used indicates a different meaning:

"Act" means, collectively, Minnesota Statutes, Sections 469.001 through 469.047, Sections 469.090 through 469.1081 and Sections 469.124 through 469.134.

"Authority" means the Mt. Iron Economic Development Authority, its successors and assigns.

"Blighted Area" means any area with buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community.

"Board" means the Board of Commissioners of the Authority.

"City" means the City of Mountain Iron, Minnesota.

"City Council" means the City Council of the City.

"County" means St. Louis County, Minnesota.

"Comprehensive Plan" means the Comprehensive Plan of the City, as the same may be adopted or amended from time to time.

"Development District" means the Project Area, which is coterminous with the Redevelopment Project Area.

"Development Program" means, specifically, Chapters 4 and 6 of this Plan, and any related provisions of this Plan, as amended and supplemented from time to time.

"Land Use Plan" means the Land Use Plan for the Project Area as amended and supplemented from time to time.

"Land Use Regulations" means all federal, State and local laws, rules, regulations, ordinances and plans relating to or governing the use or development of land in the City, including, but not limited to, environmental, zoning and building laws and regulations.

"Plan" means this Redevelopment Plan/Development Program, as amended and supplemented from time to time.

"Project" means collectively the Redevelopment Project Area and Development District as described in this Plan.

"Project Area" means the geographic area of the Project.

"Public Costs" means the expenditures by the Authority and/or the City necessary to accomplish the Project and the Plan including repayment of debt service on any bonds, and any other eligible costs set forth in a TIF Plan or this Plan.

"Public Improvements" means the public improvements, if any, described in this Plan or in a TIF Plan.

"Real Property" includes all lands, together with improvements and fixtures thereon, and property of any nature appurtenant thereto, or used in connection therewith, and every estate, interest and right, legal equitable therein, including terms for use.

"Redevelopment Plan" means, specifically, Chapter 3 of this Plan for the Redevelopment Project, and any related provisions of this Plan as amended and supplemented from time to time.

"Redevelopment Project" means any work or undertaking in accordance with the Act as described in Chapter 3 of this Plan.

"Redevelopment Project Area" means the geographic area of the Redevelopment Project which is coterminous with the Development District.

"School District" means collectively, Independent School District No. 712 (Mountain Iron-Buhl), Independent School District No. 2153 (Eveleth-Gilbert) and Independent School District No. 706 (Virginia), all in St. Louis County, Minnesota.

"State" means the State of Minnesota.

"TIF Act" means Minnesota Statutes, Sections 469.174 through 469.1791, as amended and supplemented from time to time.

"TIF District" means a tax increment financing district created by the Authority within the Project Area pursuant to the TIF Act, as amended and supplemented from time to time.

"TIF Plan" means a tax increment financing plan for a TIF District prepared and approved by the Authority pursuant to the TIF Act, as amended and supplemented from time to time.

Section 1.02 - Exhibits. There are no exhibits to this Plan.

## **Chapter 2**

### **Statement of Need; Statutory Authority; Administration; Evaluation**

Section 2.01 - Statement of Need and Public Purpose.

- A. The City Council and the Board have determined that there is a need for the Authority to take certain actions necessary to encourage, ensure and facilitate development and redevelopment by the private sector of underutilized, inappropriately used and unused land located within the corporate limits of the City. In addition, the City is experiencing a need for housing. This is, in part, due to slow population growth, historically low housing vacancy rates, depletion of housing units, substandard housing units, and shortage of affordable low and moderate income housing units. The Project is in areas where conditions of unemployment, underemployment, depletion of natural resources, poor soil conditions, substandard or insufficient housing and vacant buildings and widespread reliance on public assistance for economic development are found to exist. The creation of the Project provides the legal mechanism by which the Authority may employ a variety of financing and planning tools and incentives in order to assist and promote the creation of additional housing units, commercial and industrial developments and related facilities. Such actions are necessary in order to provide additional employment opportunities for residents of the City and the surrounding area; to improve the tax base of the City, the County and the School District, thereby enabling them to better provide needed public services; and to improve the general economy of the City, the County and the State.
- B. These activities will reduce unemployment, prevent chronic unemployment, improve living standards, promote desirable development of land which is presently unused or underused at a cost reasonably related to the public purpose to be served and with full consideration of the preservation of beneficial aspects of the rural and natural environment, prevent the emergence of blighted properties and areas, prevent the loss of skilled and unskilled labor and other human resources, and encourage and enhance the general health and welfare of the residents of the City. The guidelines and actions herein proposed are necessary to secure the development of the property included in the Project at this time, and in a manner which will best meet those needs.
- C. The development of the Project is not attainable in the foreseeable future without the intervention of the Authority in the private development process. The Authority has prepared

this Plan, which provides for the elimination of these conditions, thereby making the Project a useful and valuable contribution to the public health, safety and welfare.

Section 2.02 - Statutory Authority.

- A. The Act grants the Authority, upon certain public purpose findings, to designate Project Areas within the boundaries of the City. Within these areas, the Authority may adopt and administer a redevelopment plan and a development program in establishing the Project consistent with the City and Authority's public purpose.
- B. The TIF Act authorizes the Authority, upon certain findings by the City Council and Board, to establish and administer TIF Districts within the Project Area and to adopt and implement TIF Plans to accomplish the goals and objectives of this Plan.

Section 2.03 - Administration and Maintenance.

- A. Maintenance and operation of the Project will be the responsibility of the City Administrator who shall serve as administrator of the Project. Each year the administrator will submit to the Board as a part of the Authority's budget, the estimated maintenance and operating budget for the Project for the following year.
- B. The administrator will administer the Project pursuant to the provisions of the Act; provided, however, that such powers may only be exercised at the direction of the Board. No action taken by the administrator pursuant to the above mentioned powers shall be effective without authorization by the Board. The following powers may be utilized by the administration upon authorization by the Board, for purposes of achieving the goals and objectives as described in this Plan:
  - (1) to acquire property through negotiations, if possible, and through the use of eminent domain, if necessary, as determined by the Board;
  - (2) to enter into operating contracts or redevelopment contracts on behalf of the Authority following specific approval by the Board, for the operation of any facilities or improvements authorized to be constructed under provisions of this Plan;
  - (3) to lease or sell land;
  - (4) certify to the City the amount of funds, if any, which must be raised through the sale of general obligation bonds to finance this Plan;
  - (5) apply for grants from the State and/or the United States of America or any of their agencies;
  - (6) to work with the City on the construction of Public Improvements; and
  - (7) take whatever action is necessary and appropriate to ensure the timely implementation of this Plan consistent with the needs and policies of the Authority, City, School District and County.

Section 2.04 - Evaluation of Development Proposals. The Authority will evaluate and rank all proposals received from private developers seeking assistance or incentives to undertake development activities consistent with the goals and objectives of this Plan. General guidelines under which such development proposals will be evaluated are as follows:

- (1) All assisted projects must have a clearly defined public purpose justification for use of tax increment.
- (2) Selection of assisted projects will be geographically targeted to stimulate implementation of neighborhood or City development plans or to assist in the elimination of blight or the conditions which are the cause of blight.
- (3) Tax increment financing will be utilized for "gap financing" to assist project developments which would not otherwise be financially feasible or possible without the assistance.
- (4) Tax increment financing will be used to enhance the quality of development projects beyond the quality which would result without the tax increment financing.
- (5) Tax increment financing will be used to assist business which would leave the City unless assistance is provided.
- (6) Special consideration will be given to projects serving low income, handicapped or elderly persons or families, or projects which contribute to historic preservation or create jobs.
- (7) Special consideration will be given to projects which result in the maximum leveraging of public to private investment.
- (8) Special consideration will be given to projects which will maximize the ultimate tax base increase.
- (9) Special consideration will be given to projects involving substantial rehabilitation, new construction or conversion of uses.
- (10) Special consideration will be given to projects which accomplish multiple City redevelopment and/or housing objectives.
- (11) A prospective developer must demonstrate the ability to successfully undertake and complete the project under consideration. Developer qualifications will be evaluated based on developer success with similar projects in the past.
- (12) All developers and proposals will be required to comply with the requirements of Minnesota Statutes, Sections 116J.993 through 116J.995, the Minnesota Business Subsidy Act.

### **Chapter 3 Redevelopment Plan**

Section 3.01 - Statement of Objectives. The establishment of the Redevelopment Project, is in the best interests of the City and its residents, and is necessary in order to give the Authority the ability to meet certain public purpose objectives that would otherwise not be obtainable in the foreseeable future without intervention by the Authority in the normal development process. The Authority intends, to the extent permitted by law, to accomplish the following objectives through the implementation of this Redevelopment Plan:

- (1) Promote and seek the orderly and harmonious development of the Redevelopment Project.
- (2) Provide for the construction and financing of Public Costs which are necessary for the orderly and beneficial development of the Redevelopment Project.
- (3) Provide logical and organized land use for the entire Redevelopment Project Area consistent with the Comprehensive Plan and City's Zoning Ordinance.
- (4) Provide adequate utilities and other Public Improvements and facilities, including fire protection and community facilities to enhance the opportunities in the Redevelopment Project Area and the City for new and existing development.
- (5) Provide general design guidance to private developers in conjunction with a suitable development contract in order to enhance the physical environment of the Redevelopment Project Area.
- (6) Promote and secure the prompt and unified development of certain property in the Redevelopment Project, if such property is not in productive use or in its highest and best use with a minimum adverse impact on the environment, and thereby promote and secure the desirable development of other land in the City.
- (7) Promote and secure additional employment opportunities within the Redevelopment Project for residents of the City and the surrounding area, thereby improving living standards and reducing unemployment and the loss of skilled and unskilled labor and other human resources in the City.
- (8) Secure the increase of assessed values of property subject to taxation by the City, the County, the School District, and other taxing jurisdictions in order to better enable such entities to pay for governmental services and programs that they are required to provide.
- (9) Encourage economic development and the expansion and improvement of local businesses whenever possible.
- (10) Within the Redevelopment Project, stimulate private development and private investment of all types, including housing, manufacturing, commercial, retail and tourism.



- (11) Undertake and provide monies for the payment of the cost of redevelopment activities in, or adjacent to, the Redevelopment Project which are necessary to serve the Redevelopment Project and for the orderly and beneficial development of the Redevelopment Project.
- (12) Secure the construction of, and provide funds for, the payment of the cost of public activities or improvements in the Redevelopment Project which are necessary for the orderly and beneficial development thereof.
- (13) Promote the concentration of appropriate development within the Redevelopment Project Area in order to maintain the area in a manner compatible with its accessibility and prominence to the City.
- (14) Encourage local business expansion, improvement, development and redevelopment when compatible with this Redevelopment Plan.
- (15) Create a desirable and unique character within the Redevelopment Project through quality land use alternatives and design in new and renovated buildings.
- (16) Address conditions of chronic employment, underdevelopment of natural resources and economic depression by providing public financial or planning assistance in order to provide the economic opportunity for private industrial, recreation, commercial or manufacturing enterprises and community and public facilities.
- (17) Acquire Blighted Areas and other Real Property for the purpose of removing, preventing, or reducing blight, blighting factors, or the causes of blight.
- (18) Clear areas acquired and install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for uses in accordance with this Redevelopment Plan.
- (19) Sell or lease land so acquired for reuse in accordance with this Redevelopment Plan.
- (20) Approve and amend this Redevelopment Plan; incur initiation, planning, survey and other administrative costs of the Redevelopment Project; prepare technical and financial plans and arrangements for buildings, structures, and improvements; and all other work in connection therewith.
- (21) Conduct an urban renewal project as provided in the Act.

Section 3.02 - Findings. A Redevelopment Project is defined in Section 469.002, Subdivision 14 of the Act, as an undertaking "to acquire blighted areas and other real property for the purpose of removing, preventing, or reducing blight, blighting factors or the causes of blight, and to clear any areas acquired and install, construct or reconstruct streets, utilities, and site improvements essential to the preparation of sites for use in accordance with the redevelopment plan." Further, the Authority may also acquire land or space which is vacant, unutilized, under used or inappropriately used, which land or space the Authority determines may be developed at a cost reasonably related to the public purpose to be served without major clearance activities and with full

consideration of preservation of beneficial aspects of the natural environment. Therefore, in accordance with Section 469.028, Subdivision 2 of the Act, the Board and City Council find that:

- (1) the land in the Redevelopment Project Area would not be made available for redevelopment without the financial aid provided in this Redevelopment Plan;
- (2) the Redevelopment Plan for the Redevelopment Project Area in the City will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment of the Redevelopment Project Area by private enterprise; and
- (3) the Redevelopment Plan conforms to a general plan for the development of the City as a whole.

Section 3.03 - Program. The Authority will perform or cause to be performed, to the extent permitted by law, all project activities pursuant to the Act, the TIF Act and other applicable State laws. In doing so the Authority anticipates that the following may, but are not required, to be undertaken by the City and/or Authority:

- (1) The making of studies, planning and other formal and informal activities relating to this Redevelopment Plan.
- (2) The implementation and administration of this Redevelopment Plan.
- (3) The rezoning of land within the Redevelopment Project.
- (4) The acquisition of property, or interests in property, by purchase or condemnation or otherwise, when such acquisition is consistent with the objectives of this Redevelopment Plan.
- (5) The preparation of property for use or reuse and development in accordance with applicable Land Use Regulations, including demolition of structures, clearance of sites, placement of fill or grading.
- (6) The resale or lease of property to public and private parties.
- (7) The construction or reconstruction of Public Improvements, including, but not limited to, streets, storm sewer, sanitary sewer, and water, curb, gutter improvements and other improvements described in Minnesota Statutes, Chapter 429.
- (8) The acquisition of open or undeveloped land determined to be blighted by virtue of the following conditions:
  - (a) unusual and difficult physical characteristics of the ground;
  - (b) the existence of faulty planning characterized by the subdivision or sale of lots laid out in disregard of the contours or of irregular form and shape or of inadequate size; or

- (c) a combination of these or other conditions which have prevented normal development of the land by private enterprise and have resulted in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare.
- (9) The acquisition of land or space that is vacant, unused, underused or inappropriately used, including infrequently used rail yards and rail storage facilities, and excessive or vacated railroad rights-of-way; air rights over streets, expressways, railroads, waterways, and similar locations; land which is occupied by functionally obsolete nonresidential buildings, or is used for low utility purposes, or is covered by shallow water, or is subject to periodic flooding, or consists of unused or underused slips or dock areas or other waterfront property so long as such land or space may be developed at a cost reasonably related to the public purpose to be served without major residential clearance activities, and with full consideration of the preservation of beneficial aspects of the urban and natural environment, for uses that are consistent with this Redevelopment Plan. These uses include the provision of schools, hospitals, parks and other essential community and public facilities and, where appropriate, all uses associated with new community development programs.
- (10) The issuance of bonds and the use of tax increments, or other funds available to the City, to pay or finance the Public Costs.
- (11) The use of tax increments to pay debt service on bonds or otherwise pay or reimburse with interest the City, the Authority or other public or private entity for payment of the Public Costs.

#### **Chapter 4 Development Program**

Section 4.01 - Statement of Objectives. The establishment of the Development District, pursuant to the Act, is in the best interests of the City and its residents, and is necessary in order to give the Authority the ability to meet certain public purpose objectives that would otherwise not be obtainable in the foreseeable future without intervention by the Authority in the normal development process. The Authority intends, to the extent permitted by law, to accomplish the following objectives through the implementation of this Development Program:

- (1) Promote and seek the orderly and harmonious development of the Development District.
- (2) Increase the supply of decent, safe and sanitary housing within the community for persons of all income levels, including the creation of rental and ownership opportunities for persons and families of low and moderate income.
- (3) Assist economic development projects on land or in areas which are appropriate for such uses, with emphasis upon lands potentially useful for contributing to the public welfare, but which by reason of special problems or conditions, have not reached full development potential by the ordinary operations of private enterprise.
- (4) Carry out development of undeveloped and underdeveloped lands within the Development District compatible with the planning needs of such area, consistent with Land Use Regulations and the Comprehensive Plan.

- (5) Where necessary, coordinate land development and redevelopment on scattered, qualifying sites, and further the production of low and moderate income units in appropriate economic mix and in such ratio as the Authority determines is necessary to meet the objectives of the Comprehensive Plan and project development financing requirements.
- (6) Coordinate acquisition, site preparation and improvements, provision of necessary Public Improvements and facilities, provision of low and moderate income housing and other Development District activities, and spread and equalize the costs thereof, in order to accomplish development of the entire Development District at a cost reasonably related to the public purposes to be served.
- (7) Establish re-use valuations based on actual re-use, or uses ancillary to the development, and sell acquired sites for private redevelopment in accordance with this Development Program at economically feasible land sale prices in order to induce and make possible private participation in the development of the Development District.
- (8) Provide private developers with information and assistance regarding: zoning, land use controls and other City and Development Program requirements; obtaining construction and permanent financing; construction of site and Public Improvements; and financing for measures necessary to correct site sub-soil conditions or other characteristics which are inhibiting normal development, all in accordance with approved development agreements.
- (9) Assist in providing rental and ownership opportunities to persons of low and moderate income at prices or rents within their means and make advance commitments with respect to such rental or ownership assistance of low and moderate income housing units in order to assist developers in securing financing.
- (10) Finance the development costs of the Development District by means of tax increment generated by improvements within TIF Districts and other available funding sources.
- (11) Finance housing development and land redevelopment by a combination of private and public financing sources under the authority of and subject to the requirements of applicable federal, State and local laws and ordinances.
- (12) Encourage and promote the development of tax-forfeited lands located in the Development District and thereby guide the type of development which will enhance the quality of the surrounding neighborhoods.
- (13) Promote the voluntary rehabilitation of substandard or deteriorated or deteriorating housing units within the Development District through the use of tax increment and other available funds.
- (14) Encourage and assist the development of private and Public Improvements which are necessary to serve the needs of residents of existing and projected residential areas.

Section 4.02 - Findings. A Development District is established pursuant to § 469.126, Subdivision 1 of the Act. The Board and City Council find that within the Development District:

- (1) there is a need for new development in areas that are already built up in order to provide employment opportunities, to improve the tax base, and to improve the general economy of the State;
- (2) there is a need to develop a program for improving the Development District to provide impetus for commercial and industrial development;
- (3) there is a need to increase employment;
- (4) there is a need to protect pedestrians from vehicle traffic and inclement weather;
- (5) there is a need to provide the necessary linkage between peripheral parking facilities and places of employment and shopping;
- (6) there is a need to provide off-street parking to serve the shoppers and employees;
- (7) there is a need to provide open space relief; and
- (8) the actions required to assist the implementation of the foregoing are a public purpose and that the execution and financing of these programs are a public purpose.

Section 4.03 - Development Program. The Authority will perform or cause to be performed, to the extent permitted by law, all Development District activities pursuant to the Act, the TIF Act and other applicable State laws. In doing so the Authority anticipates that the following may, but are not required, to be undertaken by the City and/or Authority:

- (1) Undertake plans for the addition of buildings and improvements and the acquisition of Real Property, which may be needed immediately or in the future for housing purposes.
- (2) Undertake the construction, reconstruction, alteration and repair of new or existing buildings and the provisions of all equipment, facilities and other real or personal property or necessary, convenient or desirable appurtenances, streets, sewers, water service, utilities, site preparation, landscaping, administrative, community health, recreation or welfare or other purposes.
- (3) Sell or lease the land in the Development District to private developers, before, during or after the completion of the construction of improvements therein, in accordance with Minnesota Statutes.
- (4) Acquire the following as authorized under applicable Minnesota Statutes:
  - (a) Blighted Areas and other Real Property for the purpose of providing housing units and of removing, preventing or reducing blight or the causes of blight;

- (b) open or undeveloped land blighted by virtue of conditions which have prevented normal development by private enterprise;
  - (c) underused or inappropriately used land and improvements which may be converted to housing use at a reasonable cost without major residential clearance activity;
  - (d) lands which due to location or other reasons the Authority finds would be appropriate for the development of additional housing units;
  - (e) lands which have been forfeited to the State as a result of nonpayment of real estate taxes; and
  - (f) lands acquired by the Authority in the undertaking of other development projects and presently available for and suitable to the provision of new housing.
- (5) Carry out the following:
- (a) demolition, removal or rehabilitation of buildings and improvements for the purpose of causing or promoting development within the Development District;
  - (b) activities to correct adverse physical characteristics of the land, faulty subdivision or plan of lots, inadequate access or utility service or other development-inhibiting conditions;
  - (c) activities deemed necessary or desirable to remove, reduce or prevent other blighting factors and causes of blight;
  - (d) activities deemed necessary or desirable to improve and prepare sites for development or redevelopment in accordance with this Development Program; and
  - (e) install, construct or reconstruct streets, utilities, parks, playgrounds, and other Public Improvements or facilities as necessary or desirable for carrying out Development Program objectives.
- (6) Undertake to acquire and/or construct housing units for low and moderate income persons or families and to retain ownership for a period of time subsequent to such acquisition or construction. Such housing may be owned and operated by the Authority or may be conveyed to another entity for ownership and operation with the view of providing decent, safe and sanitary housing for persons and families of low and moderate income. The Authority is not, however, prohibited from selling any such housing development to other parties on such terms and conditions as the Authority deems advisable, if authorized by law.
- (7) Sell, lease or otherwise dispose of acquired property in accordance with State law, the requirements of this Development Program, after review of the proposed disposition by the Board, by any or a combination of the following methods:

- (a) after clearance and provision of site improvements;
  - (b) after rehabilitation and at its fair market or rental reuse value;
  - (c) without clearance subject to a purchaser's contract obligation to rehabilitate or otherwise improve the property for the purposes and in accordance with the objectives and requirements of this Development Program; and
  - (d) to public bodies for the purpose of providing Public Improvements or supporting facilities.
- (8) Enter into private development contracts with property owners or other persons in control of sites in the Development District to provide or cause to be provided necessary site and Public Improvements in consideration of such owner or person's guaranteed undertaking to develop, redevelop and improve the property in accordance with this Development Program and the Plan. The private development contract entered into shall contain the following general requirements and developer covenants:
- (a) to develop the land in accordance with the objectives and requirements of this Development Program and the Plan and specific land parcel design objectives and building requirements;
  - (b) to commence, continue and complete contract improvements within the times specified and provided for in said agreement;
  - (c) to provide such security or other guarantee of faithful performance in a form and amount that the Authority deems necessary in the public interest;
  - (d) to not convey, lease or let the conveyed property, or erect or use any building or structure on the conveyed property unless in conformance with this Development Program and the Authority has given written consent;
  - (e) to comply with all environmental, non-discrimination, and other applicable federal and State laws and local ordinances respecting the purchase, improvement and use of the land;
  - (f) to use the land or any improvements thereon, only in accordance and in conformity with this Development Program or any duly adopted modification; and
  - (g) to provide and maintain a specific number of assisted low and moderate income units in the development as determined by the Authority, consistent with purposes, objectives and requirements of this Development Program.
- (9) In order to assure compliance with this Development Program for future land use, the Authority may:

- (a) prepare and incorporate in each land disposition and private improvement agreement, a specification of design objectives and building requirements for each project in the Development District in conformity with City codes, the Comprehensive Plan, and this Development Program and the Plan;
- (b) require the submission of construction plans and construction cost estimates for Authority review and approval prior to conveyance of project sites or the construction of site improvements on sites within the Development District not to be acquired by the Authority;
- (c) where possible, incorporate in all deeds as a covenant running with the land the developer's undertaking to comply with this Development Program and the Plan; and
- (d) after receipt and approval of construction plans and the verification of the developer's construction cost estimates, the Authority may prepare and incorporate in a regulatory agreement with the developer, enforced by deed covenant, the specific requirements for and the terms of assistance to the development of low and moderate income housing.

## Chapter 5 Land Use Plan

Section 5.01 - General Land Uses. General land use categories will be permitted for developments in the Project Area in accordance with the Land Use Regulations and related elements of the Comprehensive Plan.

Section 5.02 - General Standards for Development. The general standards for development and redevelopment are as follows:

- (1) Requirements of the City Building, Housing and Zoning Codes must be followed. Zoning changes and zoning variances can be undertaken to accommodate proposed developments, but they must go through the normal amendment or variance process and conform to the intent and purpose of the City's Zoning Ordinance.
- (2) The following additional standards apply to assisted development in the Project Area:
  - (a) development must be energy efficient;
  - (b) development may utilize common wall construction;
  - (c) smaller residential units may be designed for smaller sized families;
  - (d) development must be of a design, including appropriate parking and open spaces, that complements the surrounding neighborhoods; and



- (e) development must be architecturally compatible with the surrounding structures.
- (3) The following additional standards apply to all assisted commercial development undertaken in conjunction with a housing development in the Project:
  - (a) commercial development must be only a part of predominantly housing developments;
  - (b) commercial development must primarily serve needs of residents in the same development; and
  - (c) commercial development must have a primary market area of the surrounding neighborhood.
- (4) The following conditions are required for Authority's final approval of developments requiring Zoning Code amendments or waivers:
  - (a) the proposal has been reviewed by the appropriate governmental bodies;
  - (b) the proposal is consistent with the Comprehensive Plan and the objectives and requirements of this Plan; and
  - (c) any necessary waiver or zoning code amendment is obtained in accordance with the Zoning Ordinance.

## Chapter 6 Miscellaneous

### Section 6.01 - Payment of Public Costs.

- A. It is anticipated that the Public Costs of the Project will be paid primarily from tax increments or proceeds of bonds, low-income housing tax credits, or grants. Such costs may be identified in a TIF Plan, located within the Project.
- B. The accomplishment of construction of private development and Public Improvements within the Project depends, in large part, upon the availability of adequate construction financing and permanent financing in sufficient amounts and at affordable interest rates. The Authority, upon required approvals or delegations by the City Council, may in appropriate cases consider issuing revenue bonds, the proceeds of which will be used to finance development within the Project. In addition, the Authority will provide assistance to private developers in obtaining private and publicly backed financing to finance construction and ownership of housing developments.
- C. Where possible the Authority will aggressively pursue State or federal loan or grant funds. It is not expected that State or federal funding sources will constitute a major portion of the sources of revenues to be used to finance the Project activities.

- D. The Authority reserves the right to use other sources of revenue including, but not limited to, special assessments, user fees, federal or State funds, and investment income which may be used to pay a portion of the Public Costs.

Section 6.02 - Environmental Controls; Land Use Regulations. All municipal actions, Public Improvements and private development shall be carried out in a manner consistent with existing environmental controls and all applicable Land Use Regulations.

Section 6.03 - Public Facilities to be Constructed. Utilities, including sewer, storm sewer, water, gas, electricity and telephone, will be extended into the Project Area when appropriate. Any other public facilities that need to be constructed within the Project Area must be financially feasible and compatible with the City's long-range capital improvement plans.

Section 6.04 - Parks and Open Space to be Created. Park and open space created within the Project will be done so in accordance with Applicable Land Use Regulations.

Section 6.05 - Proposed Reuse of Property/Acquisition. This Plan contemplates that the Authority may acquire property and reconvey the same to another entity. Prior to formal consideration of the acquisition of any property, the City Council and/or the Board may require the execution of a binding development agreement with respect thereto and evidence that tax increments or other funds will be available to repay the Public Costs associated with the proposed acquisition, as necessary. It is the intent of the Authority to negotiate the acquisition, and resale, of property whenever possible. Appropriate restrictions regarding the reuse and redevelopment of property shall be incorporated into any development agreement to which the Authority is a party.

Section 6.06 - Non-Discrimination. Every contract with the City or the Authority for sale, lease, development or redevelopment of land in the Project Area will include prohibitions against land speculation, require compliance with all State and local laws in effect from time to time, and prohibit unlawful discrimination or segregation in the sale, lease or occupancy of the property.

Section 6.07 - Relocation. Any person or business that is displaced as a result of this Plan will be relocated in accordance with Minnesota Statutes, Sections 117.50 to 117.56. The Authority accepts its responsibility for providing such relocation assistance.

Section 6.08 - Low and Moderate Income Level Determination. The Authority shall make determinations of the level of income constituting low and moderate family income within the City in accordance with statutory requirements for assisted low and moderate income housing provided in accordance with this Plan.

Section 6.09 - Amendments. The Authority reserves the right to alter and amend this Plan, and related TIF Plans, subject to the provisions of State law regulating such action.

Section 6.10 - Duration of Controls. The provisions of this Plan respecting Land Uses and the regulations and controls with respect thereto shall be imposed on developers of assisted projects for a duration to be determined on a case by case basis or as required by applicable State law.

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**COUNCIL LETTER 110104-VIB**

**ADMINISTRATION**

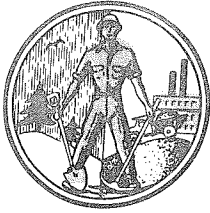
**RESOLUTION 42-04**

**DATE:** October 28, 2004

**FROM:** Craig J. Wainio  
City Administrator

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In order to keep in compliance with State Statute regarding various TIF districts, the budgets for a couple of districts need to be modified. This modification will bring the budgets in line with actual expenditures for those districts. As part of the modification process, the City Council is required to hold a public hearing. Through the adoption of Resolution Number 42-04, the City Council will be scheduling a public hearing on the modifications for the December 20, 2004 meeting.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

PHONE: 218-748-7570 • FAX: 218-748-7573 • www.mtniron.com  
8586 ENTERPRISE DRIVE SOUTH • MOUNTAIN IRON, MN • 55768-8260

## RESOLUTION NUMBER 42-04

### **CALLING FOR A PUBLIC HEARING ON A MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1 AND THE MODIFICATIONS TO TAX INCREMENT FINANCING PLANS FOR TAX INCREMENT FINANCING DISTRICT NOS. 1 AND 3 THEREIN AND THE ADOPTION OF THE MODIFICATIONS THEREFOR**

**BE IT RESOLVED BY THE CITY COUNCIL (THE "COUNCIL") OF THE CITY OF  
MOUNTAIN IRON, ST. LOUIS COUNTY, MINNESOTA (THE 'CITY'), as follows:**

Section 1. Public Hearing. This Council shall meet on December 20, 2004, at approximately 6:30 PM, to hold a public hearing on the proposed adoption of a Modification to the Redevelopment Plan for Redevelopment Project No. 1 (the "Redevelopment Plan Modification") and the proposed adoption of the modifications to the Tax Increment Financing Plans (the "TIF Plan Modifications") for Tax Increment Financing District Nos. 1 and 3 therefore (the Redevelopment Plan Modification and the TIF Plan Modifications are referred to collectively herein as the "Modifications"), all pursuant to and in accordance with Minnesota Statutes, Sections 469.001 to 469.047, and Sections 469.174 to 469.1799, inclusive, as amended, in an effort to encourage the development and redevelopment of certain designated areas within the City; and

Section 2. Notice of Public Hearing, Filing of Modifications. City staff is authorized and directed to work with Ehlers & Associates, Inc., to prepare the Modifications, and to forward documents to the appropriate taxing jurisdictions including St. Louis County and Independent School District No. 712. The City Administrator is authorized and directed to cause notice of the hearing, together with an appropriate map as required by law, to be published at least once in the official newspaper of the City not later than 10, nor more than 30, days prior to December 20, 2004, and to place a copy of the Modifications on file in the City Administrator's office at City Hall and to make such copy available for inspection by the public.

**DULY ADOPTED BY THE CITY COUNCIL THIS 1st DAY OF NOVEMBER, 2004.**

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

ATTEST:

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

10/27/2004

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CITY COUNCIL

## SCHEDULE OF EVENTS

### MOUNTAIN IRON HOUSING AND REDEVELOPMENT AUTHORITY AND THE CITY OF MOUNTAIN IRON ST. LOUIS COUNTY, MINNESOTA

#### ~~FOR THE PROPOSED MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1~~

#### ~~AND THE~~

#### PROPOSED MODIFICATIONS TO THE TAX INCREMENT FINANCING PLANS FOR TAX INCREMENT FINANCING DISTRICT NOS. 1 AND 3 (both redevelopment districts)

#### Draft as of October 25, 2004

- |                              |   |
|------------------------------|---|
| November 1, 2004             | City Council calls for public hearing on the proposed Modification to the Redevelopment Plan for Redevelopment Project No. 1 and the proposed Modifications to the Tax Increment Financing Plans for Tax Increment Financing District Nos. 1 and 3.   |
| November 3, 2004             | HRA requests that the City Council call for a public hearing.   |
| November 4, 2004             | Information for drafting necessary documentation on sent to Ehlers & Associates.  |
| November 8, 2004             | Letter received by County Commissioner giving notice of potential modifications to redevelopment tax increment financing districts (at least 30 prior to publication of public hearing notice). <i>[Ehlers &amp; Associates to fax &amp; mail on November 5 or 8, 2004]</i>   |
| November 19, 2004            | Fiscal/economic implications received by School Board and County Board (at least 30 days prior to public hearing). <i>[Ehlers &amp; Associates to fax &amp; mail on November 18 or 19, 2004]</i>  |
| December 2, 2004             | Ehlers & Associates conducts internal review of the Modifications.  |
| December 8, 2004             | Date of publication of hearing notice and map (at least 10 days but not more than 30 days prior to hearing). <i>[Mesabi Daily News publication deadline, December 3, 2004 –Ehlers &amp; Associates or the City of Mountain Iron to submit notice and map to newspaper. Ehlers &amp; Associates will provide language for the notice by November 17<sup>th</sup> if the City prefers to submit the notice and map to the paper.]</i> |
| <del>December 13, 2004</del> | <del>Planning and Zoning Commission reviews Modifications to determine if they are in compliance with City's comprehensive plan.</del>  |



**EHLERS**  
A ASSOCIATES INC

## SCHEDULE OF EVENTS – PAGE 2

### **MOUNTAIN IRON HOUSING AND REDEVELOPMENT AUTHORITY AND THE CITY OF MOUNTAIN IRON ST. LOUIS COUNTY, MINNESOTA**

#### **~~FOR THE PROPOSED MODIFICATION TO THE REDEVELOPMENT PLAN FOR REDEVELOPMENT PROJECT NO. 1~~**

#### **~~AND THE~~**

#### **PROPOSED MODIFICATIONS TO THE TAX INCREMENT FINANCING PLANS FOR TAX INCREMENT FINANCING DISTRICT NOS. 1 AND 3 (both redevelopment districts)**

- December 15, 2004      HRA considers the Modifications.
- December 20, 2004      City Council holds public hearing at 6:30 P.M. on a Modification to the Redevelopment Plan for Redevelopment Project No. 1 and the Modifications to the Tax Increment Financing Plans for Tax Increment Financing District Nos. 1 and 3, and passes resolution approving the Modifications. *[Ehlers & Associates will email final Council packet information to the City by December 8<sup>th</sup>, 2004]*
- December 29, 2004      Ehlers & Associates files Modifications with the MN Department of Revenue, and St. Louis County.

\*Because the City staff believes that the proposed Modifications will not require unplanned county road improvements, the Modifications were not forwarded to the County Board 45 days prior to the public hearing. The County Board, by law, has 45 days to review TIF Plans to determine if any county roads will be impacted. Please be aware that the County Board could claim that tax increment should be used for county roads, even after the public hearing.



**EHLERS**  
A ASSOCIATES INC



Dedicated to a Strong Greater Minnesota

October 22, 2004

TO: Prospective Member Cities

**Re: CGMC Labor and Employee Relations Program**

Dear Mayor, City Council Members, and City Administrator:

The CGMC Labor and Employee Relations Committee ("Labor Committee") had its first meeting on Friday, September 24, 2004. At this meeting, the Labor Committee adopted a new program, which will consist of an employment and labor relations consultation service for individual cities and an employment and labor relations joint action committee program.

The primary objectives of this new program are twofold. First, to provide cities with an easily accessible and readily available consultation service to address a city's employment law and/or labor relations questions; and second, to provide a coordinated effort among greater Minnesota cities, structured similarly to other CGMC committees, to develop a useful labor relations database, hold periodic meetings on employment law and labor relations matters, and to develop joint labor relations strategies and legislative policies on employment and labor relations issues.

Enclosed with this letter is an information packet describing the new employment and labor relations program in more detail. The packet consists of the following information:

1. A one-page handout for your City Council describing the new labor program entitled "CGMC Labor and Employee Relations Committee: Programs FAQ's";
2. CGMC Labor and Employee Relations Committee Membership Participation Form;
3. A detailed outline description of the new labor program entitled "CGMC Labor and Employee Relations Program: Scope and Cost of Services"; and
4. A handout containing examples of the types of work that may be completed as part of the new program entitled "CGMC Labor and Employee Relations Committee; Work Samples".

To fund this new program, the committee has adopted a \$.23 per capita voluntary membership fee (\$1,000 min./\$10,000 max.). The fee is based on the same assessment policy adopted by the CGMC for other committees. **If your city chooses to join the program, services will begin immediately and continue through August 31, 2005. You are encouraged to pay your 2005 membership fee**

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CITY COUNCIL

by February 1, 2005, but your city has until March 1, 2005 to pay the fee. The 2006 membership fee and every year thereafter will be due by February 1.

The above membership fee will be allocated to the two committee programs, as follows:

1. **Consultation Service.** \$850 of each member's fee will be allocated to a consultation program, for which a city will receive ten hours of consultation services on any questions related to employment law or labor relations matters. This may include questions such as how to terminate a non-union employee, how to respond to a grievance, how to rank arbitrators for an upcoming arbitration proceeding, etc.
2. **Joint Action Program.** The remaining portion of the \$.23 per capita fee will be allocated to the joint action program for committee related activities. The committee's initial focus will be to develop a database to collect and distribute timely and accurate information to members for use in upcoming labor negotiations or arbitration proceedings.

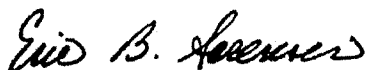
To provide the above services, the Labor Committee has adopted two resolutions; 1) that the services described herein will be provided by Flaherty & Hood, P.A., and 2) that the CGMC will not renew its current contract with Labor Relations Associates when that contract ends on March 14, 2005.

The Labor Committee will be meeting again as part of the CGMC's Fall Conference on November 18, 2004. The time is yet to be determined, but information will be sent out shortly describing the program. At the November 18 meeting, the Labor Committee will be gauging the level of participation in the program and developing a budget and work plan.

A member participation form is also enclosed. Since we would like to get the program moving forward as soon as possible, please bring this matter to your City Council for consideration and complete the enclosed participation form. **Please complete and return the member participation form by November 10, 2004.** If you are not sure whether you want to join the committee, please come to the next Labor Committee meeting in Alexandria on November 18 and join in the discussion.

We believe that there is a demonstrated need for this program and that it will prove beneficial to small, medium and large cities alike throughout greater Minnesota. If you have any questions or need additional information about the program, please contact either Eric Sorensen at (507) 457-8234, Bruce Messelt at (218) 299-5314, or Chris Hood, Flaherty & Hood, at (651) 225-8840. Thank you for your consideration, and we look forward to seeing you on November 18.

Sincerely yours,



Eric Sorensen, Winona City Manager, and  
CGMC Labor Relations Committee Co-Chair

Sincerely yours,



Bruce Messelt, Moorhead City Manager, and  
CGMC Labor Relations Committee Co-Chair

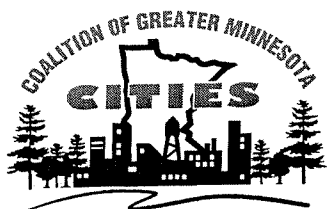
Enclosures

10/27/2004

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CITY COUNCIL





## CGMC Labor and Employee Relations Committee: FAQ's

### What is the purpose?

- Make available expert and coordinated advice, at a significantly reduced rate, on employment and labor issues facing greater Minnesota cities.
- Develop a coordinated effort to help greater Minnesota cities in managing personnel issues and negotiating labor contracts through the creation of an up-to-date and user-friendly database and uniform labor policies and negotiating strategies.

### Who can join and what is the cost?

- Membership in the Committee is open to any city in greater Minnesota who pays the membership fee.
- The membership fee is \$.23 per capita, with a minimum \$1,000 fee and a maximum \$10,000.
  - Member cities will receive 10 hours worth of consultation service with their membership fee (value \$850).
  - Members may receive additional services at a significantly reduced rate starting at \$85 per hour.
  - The amount of the fee not allocated for consultation services, over \$850, will be allocated for Committee services.

### What services does my city get through joining the Committee?

The Committee has two programs:

**Consultation Service Program for Individual Cities.** Cities will receive a verbal or written response to any employment or labor law related inquiry. The kinds of services individual cities will receive under this program include but are not limited to the following:

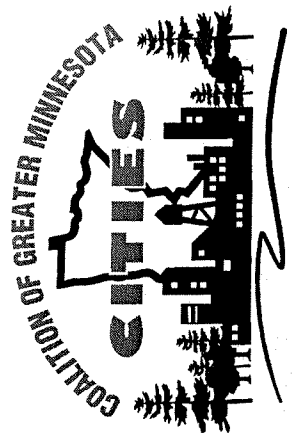
- Advice on hiring, disciplining, or terminating an employee;
- Interpretation of employment policies, collective bargaining agreement provisions, and grievance procedures;
- Compliance with PELRA, ADA, FLSA, Data Practices Act, Open Meeting Law, Veteran's Preference Act, etc.;
- Representation in negotiations, grievances, mediation, arbitration, or litigation;
- Drafting of personnel policies and collective bargaining agreement provisions; and
- Expert analysis of ability to pay, selection of comparable cities, arbitration selection, and pay equity reporting.

**Joint Action Committee Program.** Members will receive a coordinated effort among greater Minnesota cities on employment and labor relations issues. The kinds of services members will receive under this program may include:

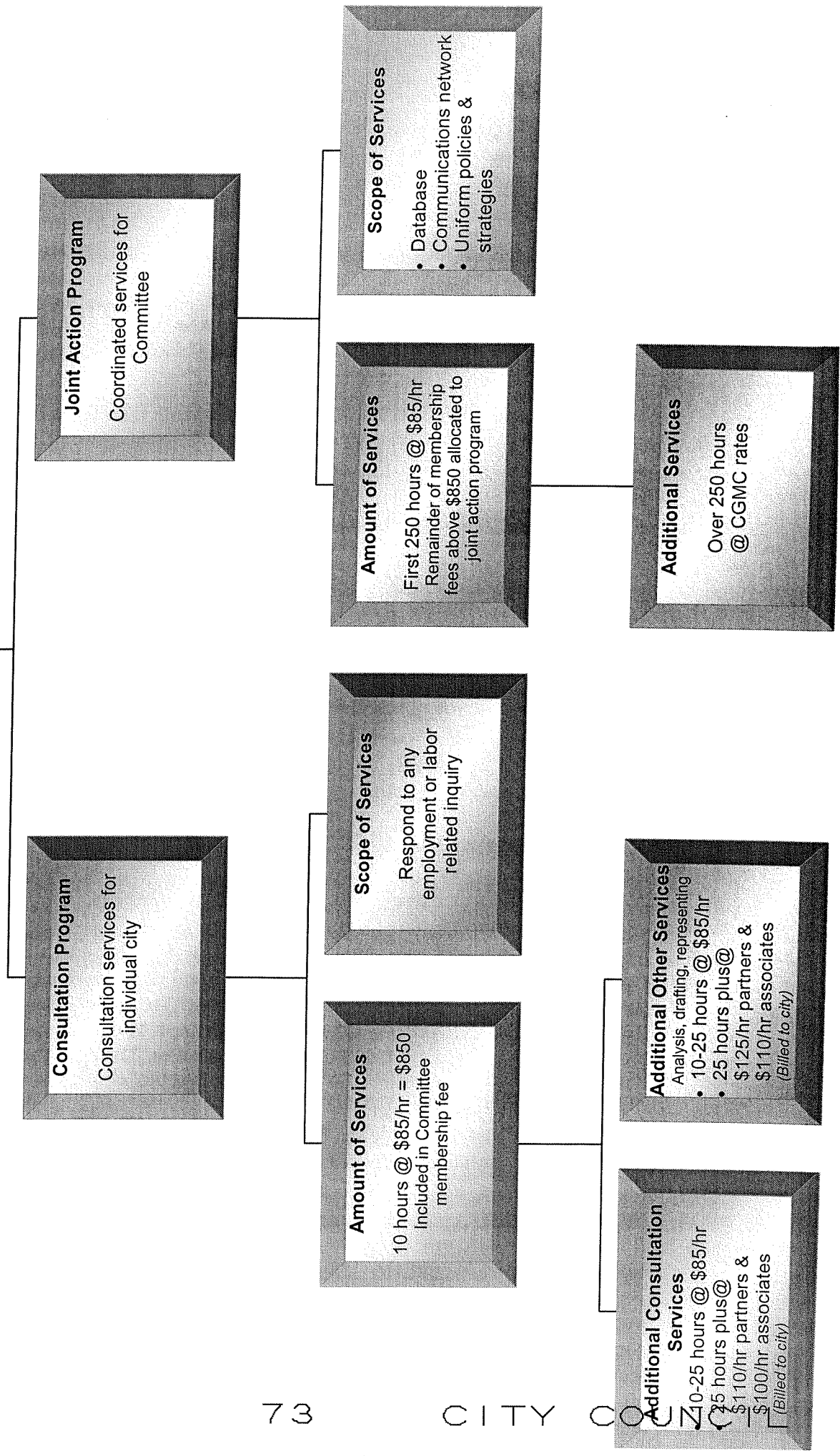
- Development and maintenance of a useful, up-to-date, and user-friendly employment and labor database containing data from other greater Minnesota cities.
- Development of a communications network to update and facilitate dialogue between greater Minnesota cities on labor and employment issues and patterns.
- Implement coordinated negotiation, contract, legislative, policy and legal strategies in handling public employment and labor relations issues.

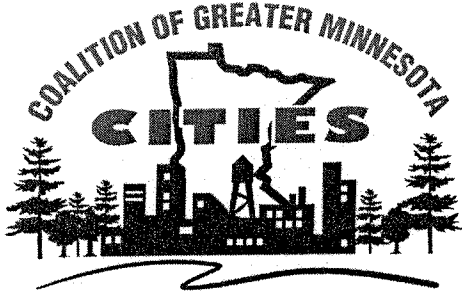
# CGMC Labor and Employee Relations Committee

## Program Services and Costs



**Membership Fee**  
\$ .23 per capita  
Minimum = \$1,000  
Maximum = \$10,000





Dedicated to a Strong Greater Minnesota

## MEMBERSHIP PARTICIPATION FORM

*Please complete and fax this form to (651) 225-9088 by November 10, 2004*

### CGMC Labor and Employee Relations Committee

City of \_\_\_\_\_

Please check (✓) one of the boxes below:

- ☐ YES, my city intends to participate in the CGMC Labor Committee.
- ☐ MAYBE, I will attend the CGMC Labor Committee meeting on Nov. 18.
- ☐ NO, my city does not intend to participate in the CGMC Labor Committee.

The CGMC Labor and Employee Relations Committee is funded by its members through a \$.23 per capita voluntary membership fee (Minimum fee of \$1,000; Maximum fee of \$10,000).

**Your 2004/2005 membership fee is \$\_\_\_\_\_.**

Note: If your city has indicated above that it intends to participate in the CGMC Labor Committee, payment of the membership fee may be made at any time before March 1, 2005.

**Please make check payable to CGMC and send payment along with a copy of this form to:**

Scott Hutchins, CGMC Treasurer  
City of Moorhead  
500 Center Avenue, Box 779  
Moorhead, MN 56560

**Contact Information.** Please provide the following committee contact information for the city manager, administrator, or human resources director serving on the committee:

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

Address: \_\_\_\_\_  
\_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_  
Email: \_\_\_\_\_



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

P.O. Box 960 • 225 1st Street North, Suite 2400 • Virginia, Minnesota 55792  
218-749-4880 • FAX 218-749-8528

October 15, 2004

City of Mountain Iron  
8586 Enterprise Dr. So.  
Mountain Iron, Minnesota 55768-8260

We are pleased to confirm our understanding of the services we are to provide City of Mountain Iron, Minnesota, for the year ended December 31, 2004. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information, which collectively comprise the entity's basic financial statements, of City of Mountain Iron, Minnesota, as of and for the year ended December 31, 2004. Also, the document we submit to you will include the following additional information that will be subjected to the auditing procedures applied in our audit of the financial statements:

1. Management's discussion and analysis.
2. Schedule of revenues, expenditures and changes in fund balance – budget to actual.
3. Combining and individual fund financial statements.
4. Schedule of sources and uses of public funds for tax increment financing districts.

**Audit Objectives**

The objective of our audit is the expression of an opinion as to whether your financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the additional information referred to in the first paragraph when considered in relation to the financial statements taken as a whole. Our audit will be conducted in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and will include tests of the accounting records of City of Mountain Iron, Minnesota, and other procedures we consider necessary to enable us to express such an opinion. If our opinion on the financial statements is other than unqualified, we will fully discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed an opinion, we may decline to express an opinion or to issue a report as a result of this engagement.

We will also provide a report that does not include an opinion on internal control related to the financial statements and compliance with laws, regulations, and the provisions of contracts or grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. This report will include a statement that the report is intended solely for the information and use of management, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties.

### **Management Responsibilities**

Management is responsible for establishing and maintaining internal control and for compliance with laws, regulations, contracts and agreements. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of the controls. The objectives of internal control are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorizations and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles.

Management is responsible for making all financial records and related information available to us. We understand that you will provide us with such information required for our audit and that you are responsible for the accuracy and completeness of that information. We will advise you about appropriate accounting principles and their application and will advise you in the preparation of your financial statements, but the responsibility for the financial statements remains with you. As part of our engagement, we may propose standard, adjusting or correcting journal entries to your financial statements. You are responsible for reviewing the entries and understanding the nature of any proposed entries and the impact they have on the financial statements. That responsibility includes the establishment and maintenance of adequate records and effective internal control over financial reporting, the selection and application of accounting principles, and the safeguarding of assets. Management is responsible for adjusting the financial statements to correct material misstatements and for confirming to us in the representation letter that the effects of any uncorrected misstatements, aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (a) management, (b) employees who have significant roles in internal control, and (c) others where the fraud could have a material effect on the financial statements. You are also responsible for informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws and regulations. With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents. With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your Internet website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. We will plan and perform the audit to

obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement whether from errors, fraudulent financial reporting, misappropriation of assets, or violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because an audit is designed to provide reasonable, but not absolute assurance and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to matters that might arise during any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will also require certain written representations from you about the financial statements and related matters.

Identifying and ensuring that City of Mountain Iron, Minnesota complies with laws, regulations, contracts, and agreements is the responsibility of management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Mountain Iron, Minnesota's compliance with applicable laws and regulations and the provisions of contracts and agreements. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion.

#### **Audit Procedures – Internal Controls**

In planning and performing our audit, we will consider the internal control sufficient to plan the audit in order to determine the nature, timing, and extent of our auditing procedures for the purpose of expressing our opinion on City of Mountain Iron, Minnesota's financial statements.

We will obtain an understanding of the design of the relevant controls and whether they have been placed in operation, and we will assess control risk. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Tests of controls are required only if control risk is assessed below the maximum level. Our tests, if performed, will be less in scope than would be necessary to render an opinion on the internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify reportable conditions. However, we will inform the governing body of any matters involving internal control and its operation that we consider to be reportable conditions under standards established by

the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. We will also inform you of any nonreportable conditions or other matters involving internal control, if any, as required by *Government Auditing Standards*.

#### **Audit Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

We will prepare a general ledger trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information in the City of Mountain Iron, Minnesota's general ledger into a working trial balance. Also as part of the audit we will prepare a draft of your financial statements and related notes. In accordance with *Government Auditing Standards*, you will be required to review and approve those financial statements prior to their issuance and have a responsibility to be in a position in fact and appearance to make an informed judgment on those financial statements. Further, you are required to designate a qualified management-level individual to be responsible and accountable for overseeing our services.

The audit documentation for this engagement is the property of Walker, Giroux and Hahne, Ltd. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a governmental agency or its designee, a federal agency providing direct or indirect funding, or the U.S. General Accounting Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Walker, Giroux and Hahne, Ltd. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

Our fees for these services will be at our standard hourly rates, plus out-of-pocket costs (such as report reproduction, typing, postage, travel, copies, telephone, etc.) not to exceed \$13,500.00 for Governmental Funds and \$6,300.00 for the Enterprise Funds. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fees are based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

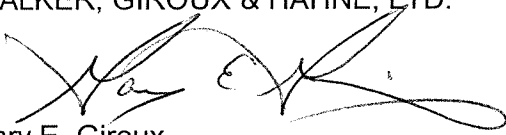
*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2003 peer review report accompanies this letter.

City of Mountain Iron, Minnesota  
October 15, 2004  
Page 5

We appreciate the opportunity to be of service to City of Mountain Iron, Minnesota and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the original of this letter and return it to us. A copy is enclosed for your records.

Very truly yours,

WALKER, GIROUX & HAHNE, LTD.



Gary E. Giroux  
Certified Public Accountant

RESPONSE:

This letter correctly sets forth the understanding of City of Mountain Iron, Minnesota.

Signature: \_\_\_\_\_

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

Date: \_\_\_\_\_





# Jelinek Metz McDonald, Ltd.

A CERTIFIED PUBLIC ACCOUNTING & FINANCIAL SERVICES FIRM

JOHN G. JELINEK, CPA, PFS

WILLIAM METZ, CPA

DOUGLAS M. McDONALD, CPA

DARIAN J. KLEIN, CPA

BRADLEE BERLIN, CPA  
DENISE STONER, CPA  
JENNIFER TROAST, CPA  
KEVIN SJOSTROM, CPA  
BRYAN SWARTZ, CPA  
SHARI BOROWICZ, CPA

October 28, 2003

To the Shareholders  
Walker, Giroux Hahne, Ltd.  
Virginia, MN

We have reviewed the system of quality control for the accounting and auditing practice of Walker, Giroux Hahne, Ltd. (the Firm) in effect for the year ended June 30, 2003. A system of quality control encompasses the firm's organizational structure and the policies adopted and procedures established to provide it with reasonable assurance of conforming with professional standards. The elements of quality control are described in the Statements on Quality Control Standards issued by the American Institute of Certified Public Accountants (AICPA). The design of the system and compliance with it are the responsibility of the firm. Our responsibility is to express an opinion on the design of the system, and the firm's compliance with the system based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. In performing our review, we obtained an understanding of the system of quality control for the firm's accounting and auditing practice. In addition, we tested compliance with the firm's quality control policies and procedures to the extent we considered appropriate. These tests covered the application of the firm's policies and procedures on selected engagements. Because our review was based on selective tests, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it.

Because there are inherent limitations in the effectiveness of any system of quality control, departures from the system may occur and not be detected. Also, projection of any evaluation of a system of quality control to future periods is subject to the risk that the system of quality control may become inadequate because of changes in conditions, or because the degree of compliance with the policies and procedures may deteriorate.

In our opinion, the system of quality control for the accounting and auditing practice of Walker, Giroux Hahne, Ltd. in effect for the year ended June 30, 2003, has been designed to meet the requirements of the quality control standards for an accounting and auditing practice established by the AICPA and was complied with during the year then ended to provide the firm with reasonable assurance of conforming with professional standards.

*Jelinek Metz McDonald, Ltd.*

**COUNCIL LETTER 110104-VIE**

**COUNCILOR ROSKOSKI**

**CHANGE REGULAR MEETING DATE**

**DATE:** October 28, 2004

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

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Backup info: Because of employment conflicts with two councilors, the 11-15-04 regular City Council meeting should be rescheduled to the 17<sup>th</sup> or 18<sup>th</sup>.

**COUNCIL LETTER 110104-VIF**  
**COUNCILOR ROSKOSKI**  
**GRANT APPLICATION TO IRRRB**

**DATE:** October 28, 2004  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

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Backup info: The City Council should submit a grant application to the IRRRB for \$85,000.00 to cover expenses associated with the land acquisition from USX. Rational? Matching funds needed for garbage dump cleanup, legal fees, engineering study, appraisals, staff time and the areas is in a JOBZ zone.

**COUNCIL LETTER 110104-VIG**

**COUNCILOR ROSKOSKI**

**4 MILE LAKE DEVELOPMENT AREA  
ADDRESS AND FIRE NUMBERS**

**DATE:** October 28, 2004

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

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Backup info: Suggested names for the 3 roads/streets. 4 Mile Drive East, 4 Mile Drive South, 4 Mile Drive West. City staff and the Fire Department should handle the rest. This should be done ASAP.

Staff Note: The street names have already been determined by the developer and presented in the plat as approved by the City Council for the Mashkenode East Subdivision, the names for the west side of Mashkenode Lake have also been provided by the developer. All addresses and fire numbers have been identified for the east side of Mashkenode Lake. Due to the size of the lots, addresses and fire numbers for the west side of Mashkenode Lake will be provided at the time of a building permit application and driveway location has been determined.

Following are the five road names that were provided by the developer:

East side: Chesapeake Court  
Labrador Court  
Retriever Drive

West side: Shorthair Lane  
Springer Drive

COMMUNICATIONS  
NOVEMBER 1, 2004

1. MediaCom, advising the City of Mountain Iron of a change in fees for late payments.
2. Erik Wedge, DSGW, forwarding a fax received on October 21, 2004 from Chesley and Sons, Inc. for tuckpointing the Mountain Iron Library.



**Bill Jensen**  
*Regional Vice President*

October 19, 2004

Dear City of Mountain Iron Community Leaders:

Whenever a change is made to our customers' monthly billing at Mediacom, it's important we communicate these changes in advance to both our customers as well as the communities we serve.

Effective with our December billing, Mediacom will change the fee it charges for late payments, i.e.; "Late Fees", to \$5.00. This change in Mediacom's billing information will be communicated to our customers via their monthly statements in November with the following message:

Notice of Change of Late Fee:  
Beginning December 1, 2004  
Late Payment Fees will be \$5.00

Should have any questions regarding this change, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Bill Jensen", with a long, sweeping horizontal line extending to the right.

Bill Jensen

Mediacom Communications Corporation  
1504 2<sup>ND</sup> Street SE, Waseca, Minnesota 56093  
Telephone: 507-835-2356 • Fax 507-835-4567

10/27/2004

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CITY COUNCIL



October 25, 2004

Craig Wainio City Administrator  
City of Mountain Iron  
8586 Enterprise Drive South  
Mountain Iron, MN 55768-8260

RE: Mountain Iron  
City Library  
Tuckpointing

Dear Craig:

Enclosed is a proposal DSGW received on October 21, 2004 by fax from Chesley and Sons, Inc for tuckpointing the Mountain Iron Library.

Should you have any questions or comments with the enclosed material please feel free to contact me at 218-741-7962.

Sincerely,

DSGW Architects, Inc.

A handwritten signature in black ink, appearing to read 'Erik C. Wedge', is written over the typed name.

Erik C. Wedge, AIA

ECW:jp

enc.

cc: Mayor Gary Skalko - City of Mnt. Iron  
Karen Louma - City of Mnt. Iron Library

10/27/2004

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DULUTH GRAND RAPIDS TWIN CITIES VIRGINIA CITY COUNCIL

CHESLEY AND SONS, INC.  
Exterior Building Restoration  
4675 Martin Road  
DULUTH, MINNESOTA 55803-9326

# PROPOSAL

Page No. 1 of        Pages

(218) 723-1265

To: DSGW Eric Weddge

417 South Second Street

Virginia, MN. 55792

JOB NAME / NO.

Mountain Iron Public Library

LOCATION

Tuckpointing

Mountain Iron, Mn.

PHONE

1-218-741-7962

DATE

10/21/04

FAX 1-218-741-7967

We hereby submit specifications and estimates for:

## Building Repair

Unit price for brick replacement \$ 32.00 Approx. 475 units \$ 15,200.00

Fascia Terra Cotta Replacement \$ 425.00 Approx 22 units 9,350.00

Window sill Terra Cotta Replace 425.00 Approx 1 unit 425.00

Fascia Terra Cotta Repair 210.00 Approx 22 units

Window Sill Terra Cotta Repair 210.00 Approx 1 unit

Crown Molding and moldings 425.00 Replace 210.00 Repair Appr 0

100% Cut and tuckpointing \$ 65,445.00

Caulking windows, doors and miscellaneous 3,248.00

Replace lentals \$ 165.00 per lineal foot Approximately 47 ln feet  
7,755.00

Cleaning building 11,997.00

Thank you for calling Chesley and Sons, Inc.

**WE PROPOSE** hereby to furnish material and labor - complete in accordance with these specifications, for the sum of:  
One hundred thirteen thousand four hundred twenty and no/100 113,420.00.

Payable as follows:

Due on job completion.

All material is guaranteed to be as specified. All work to be completed in a workmanlike manner according to standard practices. Any alterations or deviation from above specifications involving extra cost will be executed only upon written orders and will become an extra charge over and above the estimate. All agreements contingent upon strikes, accidents or delays beyond our control. Owner to carry fire, tornado, and other necessary insurance. Our workers are fully covered by Workmen's Compensation Insurance.

Authorized  
Signature

*Daniel Chesley*  
Daniel Chesley President

NOTE: This proposal may be withdrawn  
by us if not accepted within        days.

**ACCEPTANCE OF PROPOSAL** - The prices, specifications and conditions are satisfactory and are hereby accepted. You are authorized to do the work as specified. Payment will be made as outlined above.

10/27/2004

Signature

Date

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Signature

CITY COUNCIL

Date