

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, NOVEMBER 2, 2009 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the October 19, 2009, Regular Meeting (#1-11)
 - B. Receipts
 - C. Bills and Payroll
 - D. Communications (#55-58)
- III. Public Forum
 - A. Public Hearing on Proposed Assessments for 16th Avenue (#12-13)
 - B. St. Louis County Commissioner Keith Nelson
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. COW Meeting for 2010 Budget (#14)
 - B. City Administrator's Report
 - 1. Leave of Absence Request (#15)
 - C. Director of Public Works Report
 - D. Sheriff's Department Report
 - E. City Engineer's Report
 - F. Planning and Zoning Commission
 - 1. Outstanding Administrative Offenses (#16)
 - G. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. Resolution 48-09 Adopting Assessments on 16th Avenue (#17-18)
 - B. Resolution 49-09 Adopting Remaining Assessments on 2007 Street Project (#19-21)
 - C. Resolution 50-09 Accepting Report on Remaining Portion of Old Highway 169 (#22-40)
 - D. Resolution 51-09 Amending Development Agreement with Mountain Timber (#41-45)
 - E. Resolution 52-09 Approving Second Transfer Agreement with Mountain Timber (#46-52)
 - F. Request to Serve Alcohol (#53)
- VII. Communications (#55-58)
- VIII. Announcements
 - A. COW Meeting on OPEB Report at 5:30pm on November 16th
- IX. Closed Meeting – Consider Strategies for Labor Negotiations (#58)
- X. Adjourn # Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
OCTOBER 19, 2009

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Anderson, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Sam Aluni, City Attorney; John Backman, Sergeant; and Rod Flannigan, City Engineer (entering at 6:39 p.m.).

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

1. Approve the minutes of the October 6, 2009, regular meeting as submitted.
2. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period October 1-15, 2009, totaling \$102,474.13, (a list is attached and made a part of these minutes).
4. To authorize the payments of the bills and payroll for the period October 1-15, 2009, totaling \$272,341.75, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

At 6:31 p.m., it was moved by Zupancich and seconded by Prebeg to recess the regular meeting and open the public hearing on the 2007 street improvement proposed assessments. The motion carried.

The following property owners spoke during the public hearing:

- Tammy Peterson, 5482 Heather Avenue, stated that her property was already charged a full 10% special assessment on Unity Drive and she questioned whether there would be a reduction for her corner property with the assessment for Heather Avenue. The City Administrator explained the corner lot policy to the public. The City Administrator said he would review the calculations and the policy and make any necessary corrections.
- Larry Lindholm, 8430 Centennial Drive, submitted a letter and also spoke to the Council and stated that his assessment on his corner lot was calculated appropriately as outlined by the City Administrator. He questioned the difference between the assessments charged on North Heather Avenue (at 50%) and Centennial Drive (at 75%). He felt that North Heather Avenue should be in the same category as Centennial Drive.

At 6:50 p.m., it was moved by Zupancich and seconded by Stanaway to adjourn the public hearing and reconvene the regular meeting. The motion carried.

No one spoke during the public forum.

The Mayor updated the Council on the following:

- Condolences. He offered his condolences to the family of William “Bud” Mattila, past Mayor.

It was moved by Skalko and seconded by Prebeg to adopt the following:

WHEREAS, Councilor Roskoski’s independent, repeated actions over the past 2 ½ years on the Strumbell property had brought forth two trespassing convictions within the past six months. Consequently, we the members of the Mountain Iron City Council, find Mr. Roskoski’s behavior totally inappropriate and improper for an elected official representing our City and its citizens.

WHEREAS, the legal and law enforcement costs incurred by the City, in its on-going prosecution of Councilor Roskoski, now total \$11,222.10 of taxpayer’s money. As required by state law, the City is fully responsible to pay such prosecution fees.

THEREFORE, for the reasons just stated, I strongly recommend that this Council censure Councilor Roskoski. This official reprimand sternly condemns his harassing actions on the Strumbell property which houses P & H MinePro Incorporated.

The motion carried on the following roll call vote: Zupancich, yes; Stanaway, yes; Roskoski, no; Prebeg, yes; and Skalko, yes.

It was moved by Prebeg and seconded by Zupancich to set a Committee-of-the-Whole meeting for 5:30 p.m. on November 16, 2009, to review the Other Post-Employment Benefits (OPEB) report with the City Auditor. The motion carried.

It was moved by Skalko and seconded by Stanaway to adopt Resolution Number 46-09, adopting the 2007 special assessments. (a copy is attached and made a part of these minutes), with the City Administrator making the appropriate adjustments for the corner lot calculations. The motion carried with Roskoski voting no.

The City Administrator updated the Council on the following:

- Mountain Iron Public Health and Safety Board. He advised the public that there would be a Seasonal Flu Vaccine Clinic at the Mountain Iron Community Center on October 29th and 30th from 1:30 to 3:30 p.m. at a cost of \$30 per shot if not covered by insurance.
- Mountain Iron Assistant Librarian. He advised the Council that the City had not received a firm determination of the length of time that the Assistant Librarian would be out of work. He advised the Council that the Library will be advertising for the position soon. He said that the retired Librarian, Karen Luoma, had been filling in the position temporarily.

It was moved by Zupancich and seconded by Stanaway to authorize payment request number one for the Wastewater Treatment Facility Improvements Project in the amount of \$13,851.00. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Zupancich to authorize payment request number three for the Energy Park Utility Extension Project in the amount of \$23,505.37. The

motion carried unanimously on a roll call vote.

It was moved by Skalko and seconded by Roskoski to authorize staff to order two additional light standards for use in the Downtown Main Street Project; placing one on the corner of Mesabi Avenue and Main Street, and to have one spare light standard for future use. The motion carried unanimously on a roll call vote.

It was moved by Zupancich and seconded by Prebeg to accept the recommendation of the Planning and Zoning Commission to approve the variance for John Ahola, 4742 Majestic Lake Road, Mountain Iron, Parcel Code 175-0019-00020, to construct a building closer to the lot line than allowed by the Ordinance. The motion carried.

Liaison Reports:

- Public Health and Safety Board. Councilor Stanaway thanked Staff for setting up the flu shot clinic.

It was moved by Prebeg and seconded by Stanaway to adopt Resolution Number 47-09 entitled “authorizing the Issuance and Sale of a \$599,250 General Obligation Revenue Note, Series 2009, and Providing for Its Payment”, (a copy is attached and made a part of these minutes). The motion carried with Roskoski voting no.

It was moved by Roskoski and seconded by Zupancich to authorize the contract with Mesabi Humane Society for the year 2010, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Zupancich and seconded by Roskoski to authorize the 2009 appropriation to be paid to the Laurentian Chamber of Commerce for the Mineview in the Sky in the amount of \$2,500. The motion carried unanimously on a roll call vote.

It was moved by Zupancich and seconded by Skalko to waive the building rental fee for the United Way Fundraiser on April 29, 2009. The motion carried.

At 7:30 p.m., it was moved by Skalko and seconded by Prebeg that the meeting be adjourned. The motion carried with Roskoski voting no.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. Range Association of Municipalities and School, a memo concerning the upcoming legislative session.

Summary By Category And Distribution

Category	Distribution	Amount
LICENSES	ANIMAL	30.00
UTILITY	UTILITY	84,454.49
CHARGE FOR SERVICES	WATER-CHARGE FOR SERVICES	3.29
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	478.00
CHARGE FOR SERVICES	SEWER-CHARGE FOR SERVICES	35.74
MISCELLANEOUS	REIMBURSEMENTS	185.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	107.97
PERMITS	BUILDING	441.34
MISCELLANEOUS	ASSESSMENT SEARCHES	30.00
METER DEPOSITS	ELECTRIC	1,100.00
FINES	CRIMINAL	1,313.95
FINES	ADMINISTRATIVE OFFENSE	50.00
METER DEPOSITS	WATER	40.00
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	4,928.12
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	900.00
BUILDING RENTALS	COMMUNITY CENTER	450.00
CD INTEREST	CD INTEREST 301	739.73
CD INTEREST	CD INTEREST 101	24.65
CD INTEREST	CD INTEREST 378	250.68
CD INTEREST	CD INTEREST 602	65.75
CD INTEREST	CD INTEREST 603	69.88
MISCELLANEOUS	DEBT SERVICE-WATER REV 2009A	5,672.84
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	873.86
BUILDING RENTALS	SENIOR CENTER	100.00
MISCELLANEOUS	ELECTRIC RECONNECT FEE	35.00
MISCELLANEOUS	CHARITABLE GAMBLING PROCEEDS	93.34
COPIES	COPIES	.50
Summary Totals:		<u>102,474.13</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
10/09	10/13/2009	138652	130011	MOUNTAIN IRON POSTMASTER	602-20200	329.52
10/09	10/20/2009	138653	10056	A T & T MOBILITY	601-20200	1,106.85
10/09	10/20/2009	138654	10008	AIRGAS NORTH CENTRAL	101-20200	121.20
10/09	10/20/2009	138655	130017	AMERICAN BANK	101-20200	132.67
10/09	10/20/2009	138656	10021	ARROWHEAD LIBRARY SYSTEM	101-20200	282.50
10/09	10/20/2009	138657	10023	ARROWHEAD REGIONAL DEVELOPME	101-20200	250.00
10/09	10/20/2009	138658	10042	AUTO VALUE VIRGINIA	101-20200	133.58
10/09	10/20/2009	138659	220003	CITY OF VIRGINIA	101-20200	4,175.00
10/09	10/20/2009	138660	30059	CVAR, THOMAS	101-20200	175.00
10/09	10/20/2009	138661	500012	ERA LABORATORIES INC	602-20200	688.20
10/09	10/20/2009	138662	60029	FERGUSON ENTERPRISES INC	101-20200	334.04
10/09	10/20/2009	138663	60006	FISHER PRINTING	601-20200	203.06
10/09	10/20/2009	138664	60038	FLEET SERVICES	101-20200	4,261.49
10/09	10/20/2009	138665	80021	H R DIRECT	101-20200	63.18
10/09	10/20/2009	138666	1095	HEATHER LOKKEN	604-20200	328.37
10/09	10/20/2009	138667	90016	iCOMPASS TECHNOLOGIES INC	301-20200	4,800.00
10/09	10/20/2009	138668	1099	JENNIFER GIFFORD	604-20200	130.00
10/09	10/20/2009	138669	120006	L & M SUPPLY	101-20200	1,980.36
10/09	10/20/2009	138670	1100	LAURA MONTGOMERY	604-20200	138.75
10/09	10/20/2009	138671	120047	LAURENTIAN CHAMBER OF COMMERC	101-20200	2,500.00
10/09	10/20/2009	138672	230035	LAW OFFICE - BRUCE R WILLIAMS	101-20200	4,682.10
10/09	10/20/2009	138673	120003	LEAGUE OF MINNESOTA CITIES	101-20200	200.00
10/09	10/20/2009	138674	130144	MAGNEY CONSTRUCTION INC	602-20200	13,851.00
10/09	10/20/2009	138675	1098	MARILYN PESOLA	604-20200	91.94
10/09	10/20/2009	138676	130004	MESABI DAILY NEWS	101-20200	600.89
10/09	10/20/2009	138677	130006	MESABI HUMANE SOCIETY	101-20200	1,500.00
10/09	10/20/2009	138678	140026	MINNESOTA ENERGY RESOURCES	101-20200	687.10
10/09	10/20/2009	138679	130009	MINNESOTA POWER	604-20200	46,878.42
10/09	10/20/2009	138680	130034	MN POLLUTION CONTROL AGENCY	101-20200	3,600.00
10/09	10/20/2009	138681	130086	MN RURAL WATER ASSOCIATION	601-20200	200.00
10/09	10/20/2009	138682	130015	MOUNTAIN IRON PUBLIC UTILITIES	101-20200	12,511.61
10/09	10/20/2009	138683	1097	NICK DICKLICH	604-20200	80.98
10/09	10/20/2009	138684	140004	NORTHERN ENGINE & SUPPLY INC	603-20200	240.43
10/09	10/20/2009	138685	170001	QWEST	101-20200	353.12
10/09	10/20/2009	138686	180001	RANGE PAPER	101-20200	72.76
10/09	10/20/2009	138687	180063	RONCHETTI, DANIEL	101-20200	572.00
10/09	10/20/2009	138688	1096	ROXANNE JENNER	604-20200	260.05
10/09	10/20/2009	138689	200020	THE TRENTI LAW FIRM	101-20200	271.22
10/09	10/20/2009	138690	210006	UTILITY SYSTEMS OF AMERICA INC	301-20200	23,505.37
10/09	10/20/2009	138691	220004	VIRGINIA DEPARTMENT OF PUBLIC	604-20200	32,665.30
10/09	10/20/2009	138692	220020	VISA OR AMERICAN BANK CC PMT	101-20200	6,064.62
10/09	10/20/2009	138693	230028	WISCONSIN ENERGY CONSERVATION	604-20200	2,370.00

Totals:

173,392.68

Payroll-PP Ending 10/16/09

88,019.54

Sales Tax - Electronic Trans.

10,929.53

TOTAL EXPENDITURES

\$272,341.75

CONTRACT FOR SERVICE

This contract, made and entered into this 1st day of January, 2010 by and between the Mesabi Humane Society, Range Animal Shelter, 2305 Southern Drive, Virginia, MN 55792, referred to as the Mesabi Humane Society, and the City of Mt. Iron hereinafter referred to as the Municipality.

I. RECITALS

WHEREAS, this contract will use the term "animals" to mean domesticated dogs and cats. All other animals are not covered or considered within this document, nor handled by the Mesabi Humane Society.

WHEREAS, the Municipality is in need of shelter and care of animals found within the city limits and in need of an animal control program and service.

WHEREAS, the Mesabi Humane Society has a facility and is qualified and licensed to provide such care, shelter and animal control services.

WHEREAS, the Municipality wishes to purchase these services from the Mesabi Humane Society, in accordance with this contract.

WHEREAS, in consideration of the mutual covenants contained herein, it is agreed and understood as follows:

II. TERMS

The term of this contract shall be from January 1, 2010 through December 31, 2010 to be reviewed for revisions by both parties on yearly intervals in order for this animal control service and program to best serve both the Municipality and the Mesabi Humane Society.

III. BASIC SERVICES

The Mesabi Humane Society agrees to:

01. shelter and care for animals detained or taken possession of in the city limits of the Municipality. These will be animals captured and contained by the Humane Society Animal Control Officer (ACO).
02. shelter and care for stray/free roaming animals that are delivered to the shelter by residents, Municipality officials and employees of the Municipality on a volunteer basis. If the Mesabi Humane Society reaches operating capacity as allowed by law, the Society reserves the right to refuse incoming animals until space is available.
03. retrieve and transport animals from the Municipality to the shelter during business hours. This shall be done upon request of the appropriate Municipality and citizens within the Municipalities residential limits.
04. routinely patrol the Municipality in the Animal Control Officer's identified vehicle during the week to check for, and pick up free-roaming animals within the city limits of the Municipality. The Animal Control Officer will work with the Municipalities Police Department and officials to help uphold all Municipality ordinances governing animals within their limits.
05. provide animal examinations and veterinary care at a licensed facility whenever staff deems it necessary.
06. board animals a maximum of seven (7) days at the shelter. This allows owners adequate time to claim their pet. After the seventh day, the Society acquires legal custody of the each animal and the decision regarding disposition.

07. euthanize and dispose of animals based upon health and behavioral issues. The automatic euthanasia of animals will not occur in order to make additional space available for more animals.
08. spay and neuter all animals, with limited exception, prior to adoption. Limited exceptions include overcrowding at the shelter and age, size, and/or temperament of animals. In the event of exceptions, the Mesabi Humane Society will offer patrons a \$25 rebate when they independently seek to spay or neuter their newly adopted pet at a veterinary clinic of their choice.
09. maintain accurate records of all transactions concerning animals from the Municipality and/or its residents.
10. respond to all animal concerns and situations that arise in the Municipality in a timely manner. Responses will be made during business hours Monday through Friday from 9:00 a.m. to 5:00 p.m.
11. respond to all emergency animal concerns (defined as life threatening risk to public safety) after normal business hours Sunday through Saturday. In emergency situations, the 'on call' Animal Control Officer will be contacted directly by cell phone. He/she will retain the right to deem whether or not the case shall be determined an emergency.

IV. RESPONSIBILITIES OF THE MUNICIPALITY

01. The Municipality and Mesabi Humane Society shall work cooperatively to uphold quarantine guidelines.
02. The Municipality is responsible for calling the Mesabi Humane Society when animals need to be retrieved during normal business hours as defined in Section 3, item 10.
03. The Municipality is responsible for contacting the Mesabi Humane Society's 'on call' animal control officer in emergency situations as defined in Section 3, item 11. The Municipality agrees to enable the 'on call' Animal Control Officer the right to determine whether or not each case shall be determined to be an emergency.
04. Municipality appointed personnel may place an animal in an outdoor kennel at the Shelter after business hours. This person shall contact the Society's Animal Control Officer with pertinent information regarding each animal placed in an outdoor kennel.
05. If an emergency veterinary situation arises after business hours, the Municipality agrees to pay for the emergency veterinary billing. Once located, the Municipality may, at their discretion, transfer all incurred veterinary costs to the owner of the animal.

Upon placement within the shelter or foster care home, the Mesabi Humane Society agrees to assume the cost associated with the animal's well-being and care as defined by the veterinarian. The veterinarian and Society will retain the right to define the needs of the animal.

V. COMPENSATION

The Municipality shall pay the Mesabi Humane Society \$1,500.00 per month for animal services. Payments are due by the first of each month for the ensuing period of service. (i.e. January, 2010 services are to be paid on January 01, 2010). A 10% fee will be charged for each late payment. Payments are considered late after the tenth day of the month. The Mesabi Humane Society reserves the right to discontinue services if the Municipality is consistently late with their payments.

VI. COMPLIANCE WITH LAWS

Providing all services pursuant to this contract, the Mesabi Humane Society shall abide by all statutes, ordinances, rules, and regulations pertaining to or regulating the provision of such services, including those now in effect and hereinafter adopted by the Municipality. It will be the sole responsibility of the Municipality to provide the Mesabi Humane Society copies of its ordinances and rules and apprise the Society of any and all changes thereafter this date.

VII. INSURANCE

The Mesabi Humane Society shall purchase and maintain in full force throughout the term of this contract the following insurance coverage:

A. WORKERS COMPENSATION: Coverage at statutory limits, as provided by the State of Minnesota

B. GENERAL LIABILITY: Coverage shall have minimum limits to \$600,000 per occurrence, combined single limit for Bodily Injury Liability and Property damage Liability.

VIII. EARLY TERMINATION OF CONTRACT

Either party, upon thirty (30) days written notice, delivered by certified mail or in person, to the other party may terminate this contract.

IX. MODIFICATIONS

Any material alterations, modifications, or variations of the terms of this contract shall be valid and enforceable only when they have been reduced to writing as an amendment and signed by both or all parties involved.

X. RELEASE OF LIABILITY

The Municipality, including the officials and residents, agree to hold harmless the Mesabi Humane Society in the case of any injuries or deaths relating to, or regarding: the capture and containment of any stray or free-roaming animals. The Municipality also agrees to refrain from any legal action against the Mesabi Humane Society in the case of any harm or damage caused by stray or free-roaming domesticated animals.

XI. ENTIRE AGREEMENT

It is understood and agreed by the parties that the entire agreement of the parties is contained herein and that the contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the Mesabi Humane Society and the Municipality. The parties hereto revoke any prior oral or written agreements between themselves, and agree that this contract is the only and complete agreement regarding the subject thereof. This contract becomes legal and binding once signed by both parties.

MESABI HUMANE SOCIETY

MUNICIPALITY

BY: Cheryl Bell

BY: [Signature]

TITLE: Board Chair

TITLE: Mayor

DATE: 10/12/2009

DATE: 10/20/09



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 46-09

ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met and heard and passed upon all objections to the proposed assessment for Improvement Number 07-6, the improvement of those streets identified in Exhibit A by construction, reconstruction and/or overlay.

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of ten years, the first of the installments to be payable on or before the first Monday in January 2010, and shall bear interest at the rate of eight percent per annum from the date of the adoption of this assessment Resolution. To the first installment shall be added interest on the entire assessment from the date of this Resolution until December 31, 2009. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of Mountain Iron, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this Resolution; and he/she may, at any time thereafter, pay to the City of Mountain Iron the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year.
4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

DULY ADOPTED BY THE CITY COUNCIL THIS 19th DAY OF OCTOBER, 2009.

ATTEST:

City Administrator

Mayor Gary Skalko

EXHIBIT A

Heather Avenue from Centennial Drive to South End of Road
Heather Avenue from Centennial Drive to Unity Drive
Coral Street from Marble Avenue to Mountain Avenue
Enterprise Drive North from Nichols Avenue to County Highway 7
Granite Street from Mineral Avenue to Marble Avenue
West End Centennial Street to approximately 400 feet east of Heather Avenue
Tamarack Street from County Road 7 to approximately 600 feet east of County Road 7
Locomotive Street from Mountain Avenue to west edge of Town of Grant plat
Unity Drive from County Road 7 to Mountain Iron Drive

**DUE TO THE LENGTH
OF THE
RESOLUTION NUMBER 47-09
AUTHORIZING THE ISSUANCE
AND SALE OF A \$599,250 GO REVENUE
NOTE, SERIES 2009, AND PROVIDING FOR
ITS PAYMENT**

**IT WILL NOT BE
COPIED AGAIN
TO BE SUBMITTED
FOR THE APPROVAL OF THE MINUTES.**

**COPIES ARE AVAILABLE UPON
REQUEST.**

**THE COUNCIL RECEIVED
THE RESOLUTION
IN THE OCTOBER 19, 2009
CITY COUNCIL PACKET**

COUNCIL LETTER 101909-III

ADMINISTRATION

PUBLIC HEARING

DATE: October 14, 2009
FROM: Craig J. Wainio
City Administrator

This public hearing is part of the assessment process for the improvement of 16th Avenue. The affected property owners have been notified of the public hearing. Enclosed, please the public hearing notice and assessment role.

Upon completion of the public hearing it is recommended that the City Council adopt Resolution Number 48-09 Adopting Assessment.

Notice of Hearing on Proposed Assessment

Mountain Iron, Minnesota October 15, 2009.

TO WHOM IT MAY CONCERN:

Notice is hereby given that the City Council will meet at 6:30 p.m. on November 2, 2009 at the Mountain Iron Community Center to consider, and possibly adopt, the proposed assessment for Improvement Number 05-16, the improvement of all of 16th Avenue by reconstruction. Adoption by the council of the proposed assessment against abutting property may occur at the hearing.

Such assessment is proposed to be payable in equal annual installments extending over a period of ten years, the first of the installments to be payable on or before the first Monday in January 2010, and will bear interest at the rate of eight percent per annum from the date of the adoption of the assessment resolution. To the first installment shall be added interest on the entire assessment from the date of the assessment resolution until December 31, 2009. To each subsequent installment when due shall be added interest for one year on all unpaid installments.

You may at any time prior to certification of the assessment to the county auditor, pay the entire assessment on such property, with interest accrued to the date of payment, to the City of Mountain Iron. No interest shall be charged if the entire assessment is paid within 30 days from the adoption of this assessment. You may at any time thereafter, pay to the City of Mountain Iron the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the succeeding year. If you decide not to prepay the assessment before the date given above the rate of interest that will apply is eight percent per year.

The proposed assessment roll is on file for public inspection at the City Administrator's office. The total amount of the proposed assessment is \$25,294.68. Written or oral objections will be considered at the meeting. No appeal to district court may be taken as to the amount of an assessment unless a written objection signed by the affected property owner is filed with the City Administrator prior to the assessment hearing or presented to the presiding officer at the hearing. The City Council may upon such notice consider any objection to the amount of a proposed individual assessment at an adjourned meeting upon such further notice to the affected property owners as it deems advisable.

An owner may appeal an assessment to district court pursuant to Minn. Stat. § 429.081 by serving notice of the appeal upon the Mayor or City Administrator of the City within 30 days after the adoption of the assessment and filing such notice with the district court within ten days after service upon the Mayor or City Administrator.

City Administrator

COUNCIL LETTER 110209-IVA1

MAYOR SKALKO

COW 2010 BUDGET MEETING

DATE: October 28, 2009
FROM: Mayor Gary Skalko
Craig J. Wainio
City Administrator

Background information provided by Mayor Skalko:

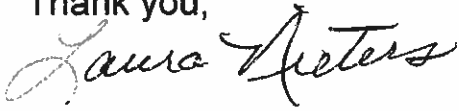
Set date and time for a Committee of the Whole meeting to discuss final 2010 budget and levy.

Untitled

To: Members of the Mountain Iron City Council

This is to request that I be granted six months unpaid leave because of my injuries.

Thank you,

A handwritten signature in cursive script that reads "Laura Nieters". The signature is written in black ink and is positioned to the right of the typed name.

Laura Nieters



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

MEMO

TO: Mayor Skalko
Councilor Prebeg
Councilor Zupancich
Councilor Stanaway
Councilor Roskoski

FROM: Jerry D. Kujala, Zoning Administrator

DATE: October 27, 2009

RE: Outstanding Administrative Offenses

The Planning and Zoning Commission is requesting further legal action for the following outstanding Administrative Offenses:

- David Nordlund, 4902 Admiral Road, remodeling without a permit. Sheriff delivered ticket on October 8, 2009.
- Herbert Hill, 8957 Maxwell Road, construction without a permit. Obtained permits in 2008 for a foundation for a new dwelling and for the construction shell. Continued with interior construction in 2009 without permits/inspections. Spoke to him weeks ago advising him that a permit was needed. He has not applied. Ticket sent October 20, 2009.
- Kery Smrekar, 9406 Maxwell Road, erected two structures on this property without permits. Ticket mailed October 7, 2009.

cc: Planning and Zoning Commission



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 48-09

ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met and heard and passed upon all objections to the proposed assessment for Improvement Number 05-16, the improvement of all of 16th Avenue by reconstruction.

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of ten years, the first of the installments to be payable on or before the first Monday in January 2010, and shall bear interest at the rate of eight percent per annum from the date of the adoption of this assessment Resolution. To the first installment shall be added interest on the entire assessment from the date of this Resolution until December 31, 2009. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of Mountain Iron, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this Resolution; and he/she may, at any time thereafter, pay to the City of Mountain Iron the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year.
4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF NOVEMBER, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator

16th Avenue Reconstruction									
NAME	BLOCK	LOT	FRONT FOOTAGE	PARCEL CODE	PROJECT COST	ASSESSMENT RATE	ASSESSMENT AMOUNT	COST PER FOOT	
Altman, Benedict	1	12	149.79	175-0065-00800	\$31,851.46	10.00%	\$3,185.15	\$21.26	
Roskoski, Edmund	1	13	139.44	175-0065-00150	\$29,650.63	10.00%	\$2,965.06	\$21.26	
REGAL PROPERTIES LLC	4	12	128	175-0065-00760	\$27,218.02	10.00%	\$2,721.80	\$21.26	
REGAL PROPERTIES LLC	4	13	161	175-0065-00800	\$34,235.16	10.00%	\$3,423.52	\$21.26	
REGAL PROPERTIES LLC	5	12	161	175-0065-00120	\$34,235.16	10.00%	\$3,423.52	\$21.26	
REGAL PROPERTIES LLC	5	13	161	175-0065-01050	\$34,235.16	10.00%	\$3,423.52	\$21.26	
REGAL PROPERTIES LLC	8	12	161	175-0065-01580	\$34,235.16	10.00%	\$3,423.52	\$21.26	
REGAL PROPERTIES LLC	8	13	128.32	175-0065-01590	\$27,286.06	10.00%	\$2,728.61	\$21.26	
			1189.55		\$252,946.80		\$	25,294.68	

COUNCIL LETTER 110209-VIB

ADMINISTRATION

RESOLUTION NUMBER 49-09

DATE: October 28, 2009
FROM: Craig J. Wainio
City Administrator

Upon the requested review of the assessments concerning that portion of Heather Avenue between Unity Drive and Centennial Drive, staff has determine that the calculations concerning the corner areas we made consistent with the City's Local Improvement Guide. During the review, Staff was able to utilize out new GIS system which provided more accuracy and right-of-way determination, the following adjustments were made concerning the previously mentioned portion of Heather Avenue, Peterson \$-479.23, Niska \$-321.87, Landicho \$-157.36, Anderson \$-250.13 and Kochar \$-539.40. These modifications are presented in the update assessment roll. All other non-platted areas of the 2007 Street Project were also review and no modifications were warranted.

It is recommended that the City Council adopt Resolution Number 49-09 as presented.



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RESOLUTION NUMBER 49-09

ADOPTING ASSESSMENT

WHEREAS, pursuant to proper notice duly given as required by law, the City Council has met and heard and passed upon all objections to the proposed assessment for Improvement Number 07-6, the improvement of Heather Avenue between Unity Drive and Centennial Drive by overlay.

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

1. Such proposed assessment, a copy of which is attached hereto and made a part hereof, is hereby accepted and shall constitute the special assessment against the lands named therein, and each tract of land therein included is hereby found to be benefited by the proposed improvement in the amount of the assessment levied against it.
2. Such assessment shall be payable in equal annual installments extending over a period of ten years, the first of the installments to be payable on or before the first Monday in January 2010, and shall bear interest at the rate of eight percent per annum from the date of the adoption of this assessment Resolution. To the first installment shall be added interest on the entire assessment from the date of this Resolution until December 31, 2009. To each subsequent installment, when due, shall be added interest for one year on all unpaid installments.
3. The owner of any property so assessed may, at any time prior to certification of the assessment to the County Auditor, pay the whole of the assessment on such property, with interest accrued to the date of payment, to the City of Mountain Iron, except that no interest shall be charged if the entire assessment is paid within 30 days from the adoption of this Resolution; and he/she may, at any time thereafter, pay to the City of Mountain Iron the entire amount of the assessment remaining unpaid, with interest accrued to December 31 of the year in which such payment is made. Such payment must be made before November 15 or interest will be charged through December 31 of the next succeeding year.
4. The City Administrator shall forthwith transmit a certified duplicate of this assessment to the County Auditor to be extended on the property tax lists of the county. Such assessments shall be collected and paid over in the same manner as other municipal taxes.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF NOVEMBER, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator

Heather Avenue Pavement				PROJECT				COST	
North NAME	SEC./ BLOCK	DESC./ LOT	FRONT FOOTAGE	PARCEL CODE	COST	ASSESSMENT RATE	ASSESSMENT AMOUNT	PER FOOT	
Peterson, Dale	13	NE/NW	670	175-0071-01235	\$ 12,277.70	50.00%	\$ 6,138.85	\$ 9.16	
KOCHAR JUSTIN J & TERE	13	NE/NW	297.43	175-0071-01246	\$ 5,450.38	50.00%	\$ 2,725.19	\$ 9.16	
Landicho, Petronile	13	NW/NW	220	175-0071-01250	\$ 4,031.48	50.00%	\$ 2,015.74	\$ 9.16	
Niska, Dean	13	NW/NW	450	175-0071-01255	\$ 8,246.21	50.00%	\$ 4,123.11	\$ 9.16	
Anderson, Tim	13	NW/NW	349.7	175-0071-01305	\$ 6,408.22	50.00%	\$ 3,204.11	\$ 9.16	
TOTALS			1987.13		\$ 36,414.00		\$ 18,207.00		

COUNCIL LETTER 110209-VIC

ADMINISTRATION

RESOLUTION NUMBER 50-09

DATE: October 28, 2009
FROM: Craig J. Wainio
City Administrator

Resolution Number 50-09 Accepting Report and calling a hearing is for the completion of the overlay of Old Highway 169. Since this project is being partially paid through a 10% assessment, the City Council is required to schedule a public hearing and notify all affected property owners. This project as an estimated cost of \$115,400, therefore, the City Council needed to determine how it would like to proceed in this matter.



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RESOLUTION NUMBER 50-09

RECEIVING REPORT AND CALLING HEARING ON IMPROVEMENT

WHEREAS, pursuant to Resolution Number 45-09 of the City Council adopted October 6, 2009, a report has been prepared by Benchmark Engineering with reference to the improvement of Old Highway 169 from approximately 0.7 miles east of the western City Limits to the western city limits by overlayment and this report was received by the City Council on November 2, 2009, and

WHEREAS, the report provides information regarding whether the proposed project is necessary, cost effective, and feasible; whether it should best be made as proposed or in connection with some other improvement; and the estimated cost of the improvement as recommended.

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

1. The City Council will consider the improvement of such streets in accordance with the report and the assessment of abutting property for all or a portion of the cost of the improvement pursuant to Minnesota Statutes, Chapter 429 at an estimated total cost of the improvement of \$115,400.
2. A public hearing shall be held on such proposed improvement on the 4th day of January, 2010, in the Mountain Iron Room of the Community Center at 6:30 p.m. and the City Administrator shall give mailed and published notice of such hearing and improvement as required by law.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF NOVEMBER, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator



**FEASIBILITY REPORT
FOR
OLD HIGHWAY 169 IMPROVEMENTS
PHASE III**

CITY OF MOUNTAIN IRON, MINNESOTA

**BENCHMARK ENGINEERING INC.
PROJECT NO. MI09-28**

PREPARED BY:

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

Prepared by:

Signature _____

Printed Name Alan J. Johnson, E.I.T.

Date _____

I hereby certify that this specification or report was prepared by me, or under my supervision, and that I am a duly licensed Professional Engineer, under the laws of the State of Minnesota.

Signature _____

Printed Name Eric E. Fallstrom, P.E.

Date _____

License No. 40351

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- APPENDIX B: DETAILED COST ESTIMATES

BACKGROUND

On October 6, 2009 the Mountain Iron City Council requested a feasibility study to improve Old Highway 169 from the intersection of Ostman Road to the intersection of Spirit Lake Road (the western City limits) by an overlay if necessary. The City Council requested that Benchmark Engineering evaluate the proposed improvement to see if it is cost-effective, feasible, and as to whether it should best be made as proposed, or in connection with some other improvement. The estimated cost of the improvement as recommended was also requested.

In 2008, the Street & Alley Committee requested that Old Highway 169 be improved from the Costin Plat west to Spirit Lake Road over the next three years in equal segments. Old Highway 169 was split into three segments to address the highway as a three-year plan for improvement. The size of the first segment was determined using this criterion. The first segment, from the Costin Plat to just east of Brown's Road was improved in 2008.

The City Council had requested that the next feasibility study evaluate the remaining two segments together. These two segments would be combined into a single improvement in 2009, provided it fits into the budget of the City of Mountain Iron. In 2009 the budget was not sufficient because of other improvements that were necessary in the segments in conjunction with these improvements. A majority of these two segments together were improved and a small portion was left to be improved.

In order to improve the final highway segment, the City has requested Benchmark Engineering, Inc. to evaluate a cost-effective improvement for Old Highway 169. The purpose of this study is to determine the feasibility of improving Old Highway 169 by one of the three options: 1.) Overlaying the highway segment 2.) Reclaiming and overlaying the segment, or 3.) Reconstructing the highway segment.

City Staff has indicated that the City of Mountain Iron is looking for budgetary numbers for future improvements to the remaining segment on Old Highway 169. In addition, City Staff has also requested that Benchmark Engineering investigate the area just east of Spirit Lake Road where a large diameter culvert currently crosses. The area around the culvert has been a location that has been subjected to frost action and creates either a heave or dip in the road at various times of the year.

EXISTING CONDITIONS

Based upon a field review of the highway in 2008 and 2009, the highway was divided into three (3) approximately equal segments by length beginning at the Costin Plat. The first segment was approximately one (1) mile in length. This segment is shown as Area A on the enclosed area location map, attached as an appendix to this report.

The second segment improved in 2009 was approximately 2.0 miles. This segment is shown as Area B on the enclosed area location map, attached as an appendix to this report.

The area within the scope of this feasibility study is the segment from the Ostman Road intersection to the Spirit Lake Road intersection (approximately 0.7 miles). This highway segment contains multiple types of cracking, parallel and perpendicular to the centerline, and occasional random cracking in the bituminous surface. No records were available as to when this segment was last improved.

In this segment, the bituminous is approximately 26.5' wide with 4' shoulders on both sides. It is likely that the concrete roadway surface of the old highway exists below the bituminous surface. The shoulders appear to be aggregate material in fair condition, but are low in several areas. The bituminous is visually in poor condition with severe cracking and in need of some form of improvement. Several cracks that cross the road appear to have spread and have been patched; with many more cracks in need of patching.

Several areas appear to have some rutting. Rutting creates an uneven surface across the road lanes and can cause puddles or icing in the lanes, creating unsafe and hazardous driving conditions. Rutting can be improved with a leveling course; however, over time this condition may appear again.

Of all of the segments improved over the past few years, this segment is in the most deteriorated condition. This segment contains many culvert crossings, which should be addressed along with severe rutting. An overlay may not produce the life span typically expected as a result.

Culverts cross this segment in several locations, at which there may be a dip or heave at the road surface. The time to replace these culverts or repair a section of road, which may have heaved, would be in conjunction with any roadway improvement. After completing field observations, one culvert has had a significant effect on the roadway.

During the field review with City staff, the culvert just east of Spirit Lake Road was determined to have little or no heaving or dipping in the roadway. It was also noted that this road is currently used for local traffic and it may not be feasible to do any major repairs in this area.

Drainage was also discussed. A smaller culvert appears to be submerged just east of the larger pipe. It was determined to investigate if this culvert would be feasible to remove since the City of Mountain Iron has unplugged the pipe several times in the past few years. The preferred alternative to this culvert would be ditching both sides of the road to drain westerly into the existing wetlands.

RECOMMENDED REPAIRS / REHABILITATION

The recommended repairs and/or rehabilitation are developed based upon input from the City Council, City Staff, and a recommendation of typical highway improvements. A comparison of the cost difference is also a factor evaluating between an overlay, reclaim & overlay or a complete reconstruction of a specific highway segment.

For this portion of roadway, the only utilities that are impacted by the proposed improvements are culvert crossings at various locations to maintain drainage conveyance. Based on the information of the underground utilities and the scope of the study, it is our opinion that it would not be feasible to completely replace the utilities at this time.

The City Public Works Department should plan to address any persistent utility maintenance problems within the scope of any project planned for a particular highway segment. The utilities should be re-evaluated when necessitated by any changes in the highway alignment.

Below is a summary of the alternatives for repair to this specific highway segment:

Overlay:

An overlay of Old Highway 169 is the first option that will be considered. A typical overlay project would involve the placement of 1 ½" – 2" of bituminous over the existing roadway. In this case, due to the severe surface irregularities observed on the segment, it is recommended that the overlay involve initial placement of a ½" bituminous leveling course in order to remove the significant surface irregularities. Next, the placement of a 1 ½" bituminous wearing course lift is required. In addition, the shoulders should also be raised with Class V to the proposed height of the edge of bituminous to create a shoulder even with the edge of bituminous.

The typical cost for this type of rehabilitation measures for this roadway segment is approximately \$30 per linear foot for a project this size. Please refer to the opinion of cost summary for a complete breakdown of anticipated items.

Benchmark Engineering also recommends that the highway be placed into a yearly crack-sealing program after the segment is repaired. Crack sealing will minimize the extent of reflective cracking; however, it will not prevent reflective cracking.

Reclaim & Overlay:

A reclaim and overlay is another improvement option that will be considered. Typically, the reclaim and overlay project would involve the reclamation of the existing

bituminous pavement in-place, placement of a class V leveling course, and placement of approximately 5" of bituminous pavement in multiple lifts. Reclaiming and overlaying a roadway segment would also increase the life of each segment above that of an overlay project, while preventing reflective cracking which occurs more frequently following an overlay.

However, a reclaiming and overlay project of this type is approximately \$95 per linear foot of rural highway for a project this size. This cost is approximately three times greater than that of an overlay.

Complete Reconstruction:

A total reconstruction is another improvement option that will be considered. Typically, a total reconstruction project involves the removal and replacement of existing roadway base materials, ditching, culverts, class V and bituminous surfacing. A total reconstruction of this segment would give a longer life to any bituminous placed in these areas.

However, complete reconstruction of this highway segment is approximately \$170 per linear foot of rural highway reconstructed, with no significant changes in road grades for a project this size. This cost is nearly twice that of a reclaim & overlay and approximately six times that of an overlay project.

Culvert Crossings:

In order to properly repair the roadway surface in the area of the culvert crossings, a more extensive removal and reconstruction is required. An overlay will only temporarily fix a frost heaved section of road. If organic soils or other frost susceptible soils are found around the culvert they will need to be removed and replaced with less frost susceptible structural fill.

With the above-mentioned factors considered, the repair of this area would require soil borings and the expertise/recommendations of a geotechnical engineer. For the purposes of this feasibility study, a full depth reconstruction and repair of a 300' segment of roadway over the culvert location will be assumed as the likely corrective action. The recommended improvement to this road section would involve excavation of this section and tapering the subgrade to evenly distribute the soils differential over a larger area or an alternative method as recommended by a geotechnical engineer. However, after reviewing this with City Staff, a complete repair would not be the most feasible at this time, due to economic considerations weighed with the amount of traffic that utilizes this roadway segment.

A cost estimate has been completed for this alternative and is shown in the appendix attached to this study for the culvert located just east of Spirit Lake Road.

A cost estimate has also been prepared to abandon the culvert just east of the main culvert in this area if feasible and cost effective to do so.

Overall:

Based upon budget constraints and anticipated life of the improvement, an overlay is the recommended rehabilitation option for Old Highway 169. However, a section of the road in the vicinity of the culvert crossing just east of Spirit Lake Road should be evaluated to determine if a full depth repair would be required for the road with low amounts of traffic volume. This type of full-depth repair would significantly increase the cost of this project.

In addition, Benchmark Engineering recommends that this highway segment be placed on the crack-sealing schedule after following the proposed overlay. Typically, the reflective cracking starts appearing at the rate of one (1) year per inch of bituminous overlay. Therefore, this segment should be crack sealed no later than two (2) years following completion of the work.

OPINION OF COST SUMMARY

The following is a breakdown of the recommended improvements. See the Appendix for a breakdown of all other Alternatives.

ITEM NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	\$20.00	460.0	\$9,200.00
2350.501	LEVELING COURSE MIXTURE (B)	TON	\$70.00	360.0	\$25,200.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	\$70.00	1,080.0	\$75,600.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$1,000.00	1.0	\$1,000.00
2582.502	4" BROKEN YELLOW LINE - PAINT (TEMPORARY STRIPING)	LIN. FT.	\$0.20	3,700.0	\$740.00
2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	\$0.50	3,700.0	\$1,850.00
2582.502	4" SOLID LINE WHITE - EPOXY	LIN. FT.	\$0.25	7,400.0	\$1,850.00
ESTIMATED CONSTRUCTION COST :					\$115,400.00

The estimated cost of improving the section of road in the vicinity of the east of the main culvert crossing east of Spirit Lake Road with a removal and partial depth repair option would be approximately \$19,000. Please refer to the Appendix for a detailed cost estimate.

SUMMARY

The City Council of Mountain Iron asked that Benchmark Engineering study the feasibility of improvements to this highway segment. Based typical rehabilitation alternatives for similar types of projects, a cost comparison, condition of this segment, input from City staff, and experience with similar projects; this highway segment was evaluated to determine what is the most feasible improvement for the area.

Due to the cost differences and budgetary constraints, Benchmark Engineering, Inc. recommends that that this segment be considered for an overlay. The cost for an overlay of approximately 0.7 mile of roadway would be approximately \$115,000.

In addition, it is recommended that in conjunction with this improvement, a partial depth reconstruction and ditching of a section of the roadway is required to abandon a culvert east of Spirit Lake Road. The cost for this improvement is estimated at \$19,000. Therefore, the total projected cost for the recommended improvements would be approximately \$134,000.

It would not be feasible to phase this last improvement of Old Highway 169 to the westerly city limits. Phasing of small paving projects have shown to significantly increase the unit prices of several items and overall project cost. The project costs may be reduced if the City forces were able to complete the ditching along the side of the roadway to facilitate drainage at the culvert crossings.

The area of the large diameter culvert crossing may need to be addressed by City Staff every couple years, however; this cost would be significantly less than a full depth repair or replacement.

It is our opinion that based upon the information provided and scope of the project reviewed, the recommended highway rehabilitation work is functionally feasible and necessary. However, the project may need to be tabled until funds are allocated for the entire project to be financially feasible to the City of Mountain Iron.

APPENDIX A: AREA LOCATION MAP

APPENDIX B: DETAILED COST ESTIMATES



ENGINEER'S PRELIMINARY ESTIMATE OF COST
OLD HIGHWAY 169 - PHASE III FEASIBILITY STUDY
MOUNTAIN IRON, MINNESOTA
PROJECT NO.: MI09-28

OPTION 1: OVERLAY - 1 1/2" WEAR & 1/2" LEVELER, SHOULDERING 4" - 5' wide

ITEM NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	\$20.00	460.0	\$9,200.00
2350.501	LEVELING COURSE MIXTURE (B)	TON	\$70.00	360.0	\$25,200.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	\$70.00	1,080.0	\$75,600.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$1,000.00	1.0	\$1,000.00
2582.502	4" BROKEN YELLOW LINE - PAINT (TEMPORARY STRIPING)	LIN. FT.	\$0.20	3,700.0	\$740.00
2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	\$0.50	3,700.0	\$1,850.00
2582.502	4" SOLID LINE WHITE - EPOXY	LIN. FT.	\$0.25	7,400.0	\$1,850.00
ESTIMATED CONSTRUCTION COST :					\$115,440.00



**ENGINEER'S PRELIMINARY ESTIMATE OF COST
 OLD HIGHWAY 169 - PHASE III FEASIBILITY STUDY
 MOUNTAIN IRON, MINNESOTA
 PROJECT NO.: MI09-28**

OPTION 2: MILL & OVERLAY RECLAIM - 3" NON-WEAR, 2" WEAR, 6" CLASS V, SHOULDERING

ITEM NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2105.501	COMMON EXCAVATION	CU. YD.	\$6.00	2,000.0	\$12,000.00
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	\$16.00	2,000.0	\$32,000.00
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	\$20.00	460.0	\$9,200.00
2331.604	BITUMINOUS PAVEMENT RECLAMATION (6")	SQ. YD.	\$3.00	11,000.0	\$33,000.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	\$70.00	1,300.0	\$91,000.00
2350.502	TYPE LV4 NON-WEARING COURSE MIXTURE (B)	TON	\$70.00	1,950.0	\$136,500.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$5,000.00	1.0	\$5,000.00
2564.603	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	\$0.50	3,700.0	\$1,850.00
2564.603	4" SOLID LINE WHITE - EPOXY	LIN. FT.	\$0.25	7,400.0	\$1,850.00

ESTIMATED CONSTRUCTION COST : \$322,400.00

CONTINGENCY (10%): \$32,240.00

ESTIMATED PROJECT COST: **\$354,640.00**



ENGINEER'S PRELIMINARY ESTIMATE OF COST
 OLD HIGHWAY 169 - PHASE III FEASIBILITY STUDY
 MOUNTAIN IRON, MINNESOTA
 PROJECT NO.: MI09-28

OPTION 3: TOTAL RECONSTRUCTION - NON-WEAR 3.5", WEAR 2", 12" CLASS V, 24" SELECT GRANULAR, GEOTEXTILE FABRIC

ITEM NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2104.503	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	\$2.00	10,900.0	\$21,800.00
2104.523	SALVAGE SIGN	EACH	\$50.00	10.0	\$500.00
2105.501	COMMON EXCAVATION	CU. YD.	\$6.00	11,600.0	\$69,600.00
2105.521	SELECT GRANULAR BORROW (CV)	CU. YD.	\$12.00	7,700.0	\$92,400.00
2105.525	TOPSOIL BORROW (CV)	CU. YD.	\$15.00	100.0	\$1,500.00
2105.604	GEOTEXTILE FABRIC TYPE V	SQ. YD.	\$2.00	10,900.0	\$21,800.00
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	\$16.00	4,400.0	\$70,400.00
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	\$20.00	460.0	\$9,200.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	\$70.00	1,300.0	\$91,000.00
2350.502	TYPE LV4 NON-WEARING COURSE MIXTURE (B)	TON	\$70.00	2,300.0	\$161,000.00
2501.511	12" CP PIPE SEWER	LIN. FT.	\$22.00	150.0	\$3,300.00
2501.515	12" METAL PIPE APRON W/ TRASH GUARD	EACH	\$300.00	4.0	\$1,200.00
2501.515	24" CP APRON	EACH	\$300.00	4.0	\$1,200.00
2503.511	24" CP PIPE SEWER	LIN. FT.	\$30.00	150.0	\$4,500.00
2511.501	RANDOM RIPRAP CLASS III	CU. YD.	\$50.00	100.0	\$5,000.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$5,000.00	1.0	\$5,000.00
2564.603	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	\$0.50	3,700.0	\$1,850.00
2564.603	4" SOLID LINE WHITE - EPOXY	LIN. FT.	\$0.25	7,400.0	\$1,850.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	\$2,000.00	1.0	\$2,000.00

ESTIMATED CONSTRUCTION COST : \$565,100.00

CONTINGENCY (10%): \$56,510.00

ESTIMATED PROJECT COST: \$621,610.00



ENGINEER'S PRELIMINARY ESTIMATE OF COST
 OLD HIGHWAY 169 - PHASE III FEASIBILITY STUDY
 MOUNTAIN IRON, MINNESOTA
 PROJECT NO.: MI09-28

CULVERT TREATMENT & REPAIR (EAST OF SPIRT LAKE ROAD)

ITEM NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2104.503	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	\$2.00	1,000.0	\$2,000.00
2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN. FT.	\$3.00	60.0	\$180.00
2105.501	COMMON EXCAVATION	CU. YD.	\$10.00	1,350.0	\$13,500.00
2105.521	SELECT GRANULAR BORROW (CV)	CU. YD.	\$12.00	1,000.0	\$12,000.00
2105.525	TOPSOIL BORROW (CV)	CU. YD.	\$15.00	100.0	\$1,500.00
2105.604	GEOTEXTILE FABRIC TYPE V	SQ. YD.	\$2.00	1,200.0	\$2,400.00
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	\$18.00	350.0	\$6,300.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	\$80.00	125.0	\$10,000.00
2350.502	TYPE LV4 NON-WEARING COURSE MIXTURE (B)	TON	\$80.00	200.0	\$16,000.00
2511.501	RANDOM RIPRAP CLASS III	CU. YD.	\$50.00	20.0	\$1,000.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$2,000.00	1.0	\$2,000.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	\$1,000.00	1.0	\$1,000.00

ESTIMATED CONSTRUCTION COST : \$67,880.00
 CONTINGENCY (10%): \$6,788.00

ESTIMATED PROJECT COST: **\$74,668.00**

BENCHMARK ENGINEERING, INC.

NOTES:

1. REPAIR BASED ON RECONSTRUCT OF APPROXIMATELY 300' OF ROAD TO TAPER JOINTS TO FIT INTO EXISTING SECTION.
2. ASSUMES EXISTING CULVERT IS SATISFACTORY AND DOES NOT NEED REPLACEMENT.



ENGINEER'S PRELIMINARY ESTIMATE OF COST
OLD HIGHWAY 169 - PHASE III FEASIBILITY STUDY
MOUNTAIN IRON, MINNESOTA
PROJECT NO.: MI09-28

CULVERT TO BE ABANDONED (EAST OF MAIN CULVERT NEAR SPIRIT LAKE ROAD)

ITEM NO.	ITEM	UNITS	ITEM COST	PROJECT QUANTITIES	TOTAL AMOUNT
2104.501	REMOVE PIPE CULVERT	LIN. FT.	\$5.00	80.0	\$400.00
2104.503	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	\$2.00	90.0	\$180.00
2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN. FT.	\$3.00	60.0	\$180.00
2105.501	COMMON EXCAVATION	CU. YD.	\$10.00	250.0	\$2,500.00
2105.521	SELECT GRANULAR BORROW (CV)	CU. YD.	\$12.00	200.0	\$2,400.00
2105.525	TOPSOIL BORROW (CV)	CU. YD.	\$15.00	20.0	\$300.00
2105.603	CONSTRUCT DRAINAGE DITCH	LIN. FT.	\$20.00	300.0	\$6,000.00
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	\$18.00	50.0	\$900.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	\$80.00	10.0	\$800.00
2350.502	TYPE LV4 NON-WEARING COURSE MIXTURE (B)	TON	\$80.00	20.0	\$1,600.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$1,000.00	1.0	\$1,000.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	\$1,000.00	1.0	\$1,000.00

ESTIMATED CONSTRUCTION COST : \$17,260.00
 CONTINGENCY (10%): \$1,726.00

ESTIMATED PROJECT COST: **\$18,986.00**

BENCHMARK ENGINEERING, INC.

NOTES:

1. REPAIR BASED ON RECONSTRUCT OF APPROXIMATELY 30' OF ROAD.
2. ASSUMES EXISTING CULVERT WILL BE REMOVED & DITCHING COMPLETED.

RESOLUTION NUMBER 51-09

**APPROVING AMENDMENT TO DEVELOPMENT
AGREEMENT**

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN
IRON AS FOLLOWS:**

1. That the Amendment to Development Agreement, the form of which is attached hereto as Exhibit "A" is hereby approved and shall be executed by the Mayor and City Administrator of the City in substantially the form attached but with all such changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.
2. The City Administrator may take such other action as may be necessary or expedient to facilitate the execution and effectuation of the Amendment to Development Agreement.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF NOVEMBER, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator

**AMENDMENT TO
DEVELOPMENT AGREEMENT**

This AMENDMENT TO DEVELOPMENT AGREEMENT is made and entered into to be effective as of this _____ day of November, 2009, by and among the MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota (the "Authority"), the CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota (the "City"), and MOUNTAIN TIMBER PROPERTIES, LLC, a limited liability company duly organized and existing under the laws of the State of Minnesota (the "Developer").

In consideration of the mutual obligations of the parties hereto, and pursuant to the terms of the provisions of that certain Development Agreement by and among the parties hereto dated August 17, 2005, each of them hereby covenants and agrees with the other as follows:

1. Article 3.1 of the Development Agreement is hereby amended to add a new section 3.1(a) as follows:

Section 3.1(a) The Remaining Development Property. The City or the Authority owns the Remaining Parcels of the Development Property, as legally described on Exhibit A attached hereto, and are willing to convey it to the Developer upon the terms and conditions set forth in this Agreement. Closing must take place on or prior to December 31, 2010.

2. All other terms and conditions of the Development Agreement shall remain the same.

IN WITNESS WHEREOF, the City, the Authority, and the Developer have caused this Amendment to Development Agreement to be duly executed as of the date first above written.

**MOUNTAIN IRON ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Its President

By: _____
Its Executive Director

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

The foregoing instrument was acknowledged before me on the _____ day of November, 2009, by Anthony Zupancich and Craig J. Wainio, the President and Executive Director, respectively, of the Mountain Iron Economic Development Authority, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota on behalf of said Authority.

Notary Public

CITY OF MOUNTAIN IRON

By: _____
Its Mayor

By: _____
Its City Administrator

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

The foregoing instrument was acknowledged before me on the _____ day of November, 2009, by Gary Skalko and Craig J. Wainio, the Mayor and City Administrator, respectively, of the CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota on behalf of said city.

Notary Public

MOUNTAIN TIMBER PROPERTIES, LLC

By: _____
Its President

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

The foregoing instrument was acknowledged before me on the _____ day of _____, 2009, by Joann Birchem, the President of Mountain Timber Properties, LLC on behalf of the company.

Notary Public

Exhibit A

The Remaining Parcels of the Development Property

Tract 1:

All that portion of the SW $\frac{1}{4}$ of the NE $\frac{1}{4}$, Sec. 10, Twp. Range 18W, St. Louis County Minnesota, lying Southeasterly of the South line of the St. Louis and Lake Counties Regional Railroad Authority Railroad Right-of-Way (a/k/a Wacootah Spur Right-of-Way), as presently constructed.

and

Tract VI:

All that part of the Northeast Quarter of the Southeast Quarter (NE $\frac{1}{4}$ of SE $\frac{1}{4}$), Section Nine (9), Township Fifty-Eight (58) North, Range Eighteen (18) West, lying Easterly of the East line of the DM&IR Railroad right-of-way, as currently constructed.

COUNCIL LETTER 110209-VIE

ADMINISTRATION

RESOLUTION NUMBER 52-09

DATE: October 28, 2009
FROM: Craig J. Wainio
City Administrator

Resolution Number 52-09 approves the transfer of the development property from Mountain Timber Properties, LLC to Mountain Timber Wood Products, LLC to develop a bio mass site. The EDA will be considering the transfer at their November 4th regular meeting.

It is recommended that the City Council adopt Resolution Number 52-09 Approving Second Transfer Agreement.

RESOLUTION NUMBER 52-09

APPROVING SECOND TRANSFER AGREEMENT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MOUNTAIN IRON AS FOLLOWS:

1. That the Second Transfer Agreement, the form of which is attached hereto as Exhibit "A", is hereby approved and shall be executed by the Mayor and City Administrator of the City in substantially the form attached but with all such changes therein as may be approved by the officers executing the same, which approval shall be conclusively evidenced by the execution thereof.
2. The City Administrator may take such other action as may be necessary or expedient to facilitate the execution and effectuation of the Second Transfer Agreement.

DULY ADOPTED BY THE CITY COUNCIL THIS 2nd DAY OF NOVEMBER, 2009.

Mayor Gary Skalko

ATTEST:

City Administrator

SECOND TRANSFER AGREEMENT

This SECOND TRANSFER AGREEMENT is dated as of the _____ day of November, 2009, and is made by and among the MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY, a public body, corporate and politic, and a political subdivision, duly organized and existing under the laws of the State of Minnesota (the "Authority"), the CITY OF MOUNTAIN IRON, a municipal corporation and political subdivision duly organized and existing under the laws of the State of Minnesota (the "City"), MOUNTAIN TIMBER PROPERTIES, LLC, a limited liability company duly organized and existing under the laws of the State of Minnesota (the "Developer"), and MOUNTAIN TIMBER WOOD PRODUCTS, LLC, a limited liability company duly organized and existing under the laws of the State of Minnesota ("Transferee").

In consideration of the mutual obligations of the parties hereto, and pursuant to the terms of the provisions of that certain Development Agreement by and among the parties hereto dated August 17, 2005, as amended, each of them hereby covenants and agrees with the other as follows:

RECITALS

A. The parties hereto have made and entered into a Development Agreement dated August 17, 2005, with respect to the Development Property which is legally described on Exhibit "A" attached hereto. The Development Agreement has been amended from time to time by written agreement of the parties.

B. Pursuant to §5.2 of the Development Agreement, the Developer is permitted transfer some or all of the Development Property, subject to certain requirements and conditions set forth in the Development Agreement.

C. The Developer desires to transfer that part of the Development Property legally described on Exhibit "B" (the "Second Transfer Parcel") to Transferee.

D. Transferee intends to use the Second Transfer Parcel in connection with the construction and operation of a wood pellet fuel plant.

E. Transferee's proposed use is consistent with the Project as set forth in the Development Agreement.

F. The Authority, the City, and the Developer desire to enter into this Transfer Agreement pursuant to §5.2 and §5.3 of the Development Agreement in order to permit the Developer to transfer the Second Transfer Parcel to the Transferee, subject to all provisions, obligations, duties, and burdens of the Development Agreement.

NOW THEREFORE, in consideration of the mutual obligations of the parties hereto, each of them covenant and agree with the others as follows:

AGREEMENT

Section 1. Definitions. The following terms have the following respective meanings.

"Development Agreement" means that certain Development Agreement dated August 17, 2005 entered into by and among the Mountain Iron Economic Development Authority, the City of Mountain Iron, and Mountain Timber Properties, LLC, as amended.

"Remaining Development Property" means that part of the Development Property exclusive the Second Transfer Parcel, and that part of the Development Property previously transferred to Laurentian Energy Authority pursuant to a Transfer Agreement dated October 3, 2005 between the City, the Authority, and the Developer.

"Second Transfer Agreement" means this Second Transfer Agreement.

"Second Transfer Parcel" means that part of the Development Property legally described on the attached Exhibit B.

"Transferee" means Mountain Timber Wood Products LLC, a Minnesota limited liability company.

Except as specifically defined in this Second Transfer Agreement, the capitalized terms used herein have the meaning given to them in the Development Agreement.

Section 2. Findings of the City and the Authority. The City and the Authority make the following findings with respect to the Transfer provided for herein:

- (a) The transfer of the Second Transfer Parcel by the Developer to Transferee is not for purposes of speculation in land holding.

- (b) The transfer of the Second Transfer Parcel by the Developer to Transferee will not prevent, prohibit, or substantially interfere with the Developer's ability to perform its obligations under the Development Agreement or the Developer's ability, through the Transferee, to successfully complete the Minimum Improvements set forth in the Development Agreement.

Section 3. Approval of Transfer. The City and the Authority hereby approve and consent to the transfer of the Second Transfer Parcel from the Developer to Transferee, subject to the obligations of the Developer and Transferee as set forth in Section 4 and subject to the provisions of Section 5 of this Second Transfer Agreement. The Transferee hereby agrees to accept title to the Transfer Parcel subject to the agreements and obligations of the Transferee as set forth herein and as set forth in the Development Agreement.

Section 4. Obligations of Developer and Transferee. Prior to effectuating a transfer of the Second Transfer Parcel to Transferee, the Developer and the Transferee shall submit to the Authority for review and prior approval all instruments and other legal documents involved in effecting the transfer of the Second Transfer Parcel.

Section 5. Agreement to be Bound; No Waiver or Release. The Authority, the City, and the Developer each hereby shall be and hereby remain bound by the terms, agreements, provisions, covenants, benefits, and burdens of the Development Agreement. The Transferee hereby expressly agrees to be bound by the terms, agreements, provisions, covenants, benefits, and burdens of the Development Agreement, and to assume, without release of the Developer, all of the obligations, conditions, and restriction to which the Developer is subject as to the Second Transfer Parcel. Nothing contained herein shall be deemed or construed to relieve the Authority, the City, the Developer, or the Transferee from the provisions of the Development Agreement with respect to the Second Transfer Parcel or the Remaining Development Property. Furthermore, nothing herein shall be deemed or construed to relieve or release the Second Transfer Parcel or Remaining Development Parcel from the provisions, covenants, obligations, agreements, benefits and burdens of the Development Agreement, except to the extent specifically provided for herein.

IN WITNESS WHEREOF, the City, the Authority, the Developer, and Transferee have caused this Transfer Agreement to be duly executed as of the date first above written.

MOUNTAIN IRON ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Its President

By: _____
Its Executive Director

BG'S Bar & Grill
P.O. Box 74
Virginia, MN 55792

Mayor and City Council Members,

On behave of the Edgewood Vista Christmas party, BG'S Bar & Grill respectfully request your permission to set up a bar at the Mt. Iron community center for the purpose of serving refreshments.

Any alcoholic beverages served will require identification of legal age.

*Thurs. ~~Nov. 4th~~ 5:00 - 10:00 PM
Dec. 3rd*

Sincerely,

Greg Peterson

COUNCIL LETTER 110209-0000

NEGOTIATIONS COMMITTEE

CLOSED MEETING

DATE: October 28, 2009
FROM: Negotiations Committee
Craig J. Wainio
City Administrator

The City Council may enter into a Closed Meeting to discuss contract negotiations strategies with AFSCME Local Union #453.

COMMUNICATIONS
NOVEMBER 2, 2009

1. Nina and David Buria, a request for improvements to Browns Road, Streetcar Road, and Giorgi Road.
2. Minnesota State Auditor, forwarding the Volunteer Fire Relief Association Investment report card.

Nina & David Buria
9140 Streetcar Road
Mountain Iron, MN 55768
(218) 735-8521

October 19, 2009

Dear Mr. Mayor,

We are writing you this letter to voice our dissatisfaction of the condition and up-keep of the city owned streets that we live on. The streets in question are as follows, Browns Road, Streetcar Road and Gorigi Road. These roads are unpaved and seem to have the least amount of attention given to them. During any rain the roads turn into nearly impassable for standard auto traffic. They are transformed into mud trails that are very slippery and unsafe, not to mention what it is like to meet another vehicle on these 1½ lane roads. If there is any doubt I invite you and any Council member to take a drive down these roads in a rain situation.

We are not trying to be unrealistic however, with the amount of property taxes we are assessed at and pay, we do not think that requesting a road improvement is too out of line. We have noticed the new retro-street-light-project taking place on old Main Street, and yes we are aware that it is a special grant to the city beautification project. What about looking into the President's Economic Stimulus Program to see if any grant money would be available to help make these roads more user friendly. We are going to hope that this request will not get shoveled under the more important city business because we think it is worthy of some action. Feel free to stop by or call if you have any questions. Thank you.

Nina & David Buria

David Buria
Nina Buria



REBECCA OTTO
STATE AUDITOR

STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

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

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

**Volunteer Fire Relief Association
Investment Report Card**

The Office of the State Auditor is providing the attached "Investment Report Card" as an educational tool for your relief association. The report card provides the one-year and multi-year rates of return calculated for your relief association, as well as a custom benchmark rate of return. The custom benchmark rate of return can be used to measure your relief association's actual investment performance for 2008 against market returns. This cover document provides information to help your relief association understand its individualized report card.

Rates of Return

The one-year rate of return is the return calculated based on your relief association's Special Fund investments for calendar year 2008. The three-year, five-year, and ten-year rates of return are also provided, which show the average annual returns for the respective periods.

Custom Benchmark: The custom benchmark rate of return shows what your relief association could have earned, had it invested its assets passively for the entire year. A passive investment strategy is more commonly called indexing. Indexing is an investment management approach that seeks to replicate the rates of return of a particular benchmark, or index. The management style is considered passive because portfolio managers do not make decisions about which securities to buy and sell. Instead, managers simply copy the index by purchasing the same securities included in a particular stock or bond market index. Index funds are widely available for stocks and bonds (e.g., Russell 3000, Barclays Capital Aggregate). For cash, a relief association could invest in a money market fund or shop for the highest returning certificate of deposit.

The benchmark return is calculated for your relief association by multiplying your association's asset class proportions by the rate of return earned on a common benchmark index for each asset class. If your relief association changed investment strategies during the year, the calculated benchmark return does not reflect the changes.

Benchmark Calculation Example:

January 1, 2008 Asset Allocation	Benchmark	Return	(a) x (b)
(a)		(b)	(c)
Domestic Stock	50.0% Russell 3000	-37.3%	-18.7%
International Stock	11.4% MSCI ACWI ex. U.S.	-45.5%	-5.2%
Bonds	9.9% Barclays Capital Aggregate	5.2%	0.5%
Cash	28.2% 90-Day U.S. T-Bill	1.6%	0.5%
Other	0.5% Russell 3000	-37.3%	-0.2%
Benchmark Return		Sum (c) =	-23.1%



STATE OF MINNESOTA
OFFICE OF THE STATE AUDITOR

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 SAINT PAUL, MN 55103-2139

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

REBECCA OTTO
 STATE AUDITOR

Investment Report Card

Mountain Iron Fire Relief Association
 For the Year Ended December 31, 2008

Rates of Return

One-Year	-19.9%
Three-Year	-2.5%
Five-Year	0.5%
Ten-Year	2.2%
Custom Benchmark (One-Year)	-15.9%

Asset Allocations

	Domestic Stock	International Stock	Bonds	Cash	Other
As of 01/01/08	14.5%	24.7%	2.5%	57.6%	0.7%
As of 12/31/08	14.7%	18.7%	3.1%	61.1%	2.4%

Benchmark Information

2008 Index Returns	2008 State Board of Investment Returns
Russell 3000 (Domestic Stock)	SBI Bond Market -4.2%
MSCI ACWI ex. U.S. (International Stock)	SBI Common Stock -37.0%
Barclays Capital Aggregate (Bonds)	SBI Growth Share -38.7%
90-Day U.S. Treasury Bill (Cash)	SBI Income Share -23.4%
Russell 3000 (Other)	SBI International Share -45.3%
	SBI Money Market 0.8%