

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, DECEMBER 1, 2008 - 6:30 P.M.
A G E N D A**

- I. Roll Call
 - II. Consent Agenda
 - A. Minutes of the November 17, 2008, Regular Meeting (#1-13)
 - B. Minutes of the November 24, 2008, Special Meeting
 - C. Minutes of the November 24, 2008, COW Meeting
 - D. Minutes of the November 24, 2008, COW Meeting
 - E. Communications (#39-40)
 - F. Receipts
 - G. Bills and Payroll
 - III. Public Forum
 - IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. Labor Management Meeting
 - 2. Polymet Support
 - B. City Administrator's Report
 - 1. 2009 Proposed Budget
 - C. Director of Public Works Report
 - 1. Community Center Painting
 - 2. Conservation Plan – CFL Giveaway
 - D. City Attorney's Report
 - E. Sheriff's Department Report
 - F. City Engineer's Report
 - G. Parks and Recreation Board
 - 1. Skating Rinks
 - H. Street Committee
 - 1. Cardinal Avenue Extension
 - 2. Mountain Iron Identification Signage
 - I. Liaison Reports
 - V. Unfinished Business
 - VI. New Business
 - A. Audit Proposal
 - B. Lot Extension Request
 - C. 2009 Licenses
 - D. Downtown and Ann's Acres Rinks
 - E. Communications (#39-40)
 - VII. Open Discussion on City Business
 - VIII. Announcements
 - IX. Closed Meeting
 - X. Adjourn
- # Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
NOVEMBER 17, 2008

Mayor Skalko called the City Council meeting to order at 6:31 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; Sam Aluni, City Attorney; Don Kleinschmidt, Director of Public Works; Rod Flannigan, City Engineer; and John Backman, Sergeant.

Mayor Skalko congratulated Councilor Prebeg and Roskoski on winning the election. He also said that he was very humbled in being re-elected as Mayor and serving for another two years.

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

1. Add the following items to the agenda:
 - VI. F. Class 5 Quotes
 - G. Festival of Trees Liquor License
 - H. Donation to the Mountain Iron Senior Citizens
 - I. United Way Presentation to City Employees
 - J. Downtown Area Calendar Parking
2. Approve the minutes of the November 3, 2008, City Council meeting as submitted.
3. Approve the minutes of the November 6, 2008, City Council special meeting as submitted.
4. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
5. To acknowledge the receipts for the period November 1-15, 2008, totaling \$124,025.17, (a list is attached and made a part of these minutes).
6. To authorize the payments of the bills and payroll for the period November 1-15, 2008, totaling \$319,841.98, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote: Prebeg, yes; Zupancich, yes; Stanaway, yes; Roskoski, abstain; and Skalko, yes.

No one spoke during the public forum.

The Mayor updated the Council on the following:

- Street and Alley Committee. He said that he would like the Committee to discuss the area east of Highway 53 with all of the new development in the area that signage should be placed identifying this as part of Mountain Iron. Also, signage should be added by Mountain Iron Drive indicating that this area is also located in the Mountain Iron city limits.
- ROCC Board. He said that the Board would be asking the Quad Cities to contribute to the building by plowing at the facility.

The City Administrator updated the Council on the following:

- 2009 City Budgets. Staff has begun preparing the preliminary 2009 budgets worksheets.

It was moved by Zupancich and seconded by Prebeg to authorize the quote for the replacement of a 60 inch range and dishwasher for the Senior Center to Upper Lakes Foods for the price of \$10,733.00, with the following funding: AEOA, \$2,500; Northland Foundation Grant, \$3,500; and the City of Mountain Iron, \$4,733. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Stanaway to authorize Staff to purchase one inch Class Five Crushing at a cost of \$3.41 per short ton from Ulland Brothers. The motion carried unanimously on a roll call vote.

The Director of Public Works updated the Council on the installation of the boilers in the Community Center Building.

Councilor Roskoski asked how the RV Dump Station at the Wastewater Treatment Plant was going to be monitored. The Director of Public Works said that the Park and Recreation Board would be reviewing the situation and setting up the necessary policy for the use of the RV Station.

Councilor Roskoski questioned who should be maintaining the gravel portion of Cardinal Street. The Director of Public Works said that the Council would have to authorize the upgrade of that portion of the Street. The Council suggested that this go before the Street and Alley Committee.

Councilor Roskoski questioned a letter sent to Jeff Tiedeman regarding zoning violations. The Mayor advised the Council that an appeals hearing was held with the Board of Appeals. He said that this was a very positive meeting with guidelines for the necessary upgrades to be completed by Mr. Tiedeman to comply with the State Building Code.

The City Engineer reviewed the 2009 Wastewater Treatment Plant Improvements. The Director of Public Works said that they are currently looking at different sources of financing the Project, including possible bonding.

It was moved by Zupancich and seconded by Stanaway to award the quote for the replacement of support gravel and filtration media for the Wastewater Treatment Plant to Gridor Construction in the amount of \$64,680. The motion carried unanimously on a roll call vote.

It was moved by Zupancich and seconded by Roskoski to accept the recommendation of the Safety Committee and approve the Hot Work Program. The motion carried.

The following items were discussed during the Liaison Reports:

- Library Board. Councilor Stanaway advised the Council that the Board was now considering improvements to modernize the basement of the library, to clean the area and replace the furniture as possible considerations for the 2009 budget.
- Parks and Recreation Board. Councilor Prebeg advised the Council that the Board had been reviewing the usage numbers and considering tentative proposals to close or limit the usage of any rinks, and also consider adding another rink to the South Grove area. The Mayor asked that participation records be made available to the City Council if there is consideration of closing any of the Mountain Iron rinks.
- Economic Development Authority. Councilor Zupancich said that the Authority was preparing to start work on the Comprehensive Plan in January.

It was moved by Prebeg and seconded by Zupancich to adopt Resolution Number 58-08, accepting the offer of dedication of street right-of-way easements as shown on the final plat for Rock Ridge Development, (a copy is attached and made a part of these minutes). The motion carried with Roskoski voting no.

It was moved by Skalko and seconded by Prebeg to award the communication quote for Unity Second Addition to MediaCom in the amount of \$11,500. The motion carried on the following roll call vote: Prebeg, yes; Zupancich, yes; Stanaway, yes; Roskoski, no; and Skalko, yes.

It was moved by Stanaway and seconded by Zupancich to approve the request of Tim VanSoest for a one year extension for Lot 13, Block 2, Unity Second Addition. The motion carried.

It was moved by Roskoski and seconded by Zupancich that Saint Louis County be notified of the worsening dip in the southbound lane on County Road 102 by the LEA driveway area. Necessary repairs could be made next year after the Spring thaw, with City Staff forwarding this in letter form to the County. After further discussion, Roskoski amended his motion to send either a letter and/or make a phone call, whichever City Staff feels is the best and to indicate both north and south bound lanes. Zupancich supported the amendment. The amended motion carried.

It was moved by Prebeg and seconded by Stanaway to authorize a temporary on-sale liquor license to Jeff and Greg Properties, Inc. for the Festival of Trees Event from November 18-23, 2008. The motion carried.

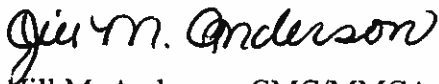
It was moved by Skalko and seconded by Prebeg to donate \$100 for the annual holiday Senior Citizen's party with the stipulation that the donation go to prizes. The motion carried.

It was moved by Zupancich and seconded by Skalko to authorize the United Way of Northeastern Minnesota to make a presentation to City workers, for a time not to exceed 30 minutes. The motion carried.

Councilor Roskoski requested that the parking situation on Marble Avenue be put on the Street and Alley Committee agenda.

At 7:43 p.m., it was moved by Skalko and seconded by Prebeg that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. Minnesota Association of Small Cities, an invitation to a gathering on November 21st in Chisholm.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	86,453.34
MISCELLANEOUS	REIMBURSEMENTS	60.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	400.00
BUILDING RENTALS	COMMUNITY CENTER	190.00
PERMITS	BUILDING	1,039.02
METER DEPOSITS	ELECTRIC	1,300.00
MISCELLANEOUS	COCA-COLA RECEIPTS-CITY HALL	57.33
CD INTEREST	CD INTEREST 301	1,195.90
MISCELLANEOUS	ASSESSMENT SEARCHES	40.00
BUILDING RENTALS	NICHOLS HALL	145.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	32.50
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	16,648.45
CD INTEREST	CD INTEREST 101	473.56
CD INTEREST	CD INTEREST 378	2,238.69
CD INTFRFST	CD INTEREST 602	774.82
CD INTEREST	CD INTEREST 603	818.03
LICENSES	ANIMAL	10.00
BUILDING RENTALS	SENIOR CENTER	25.00
INTERGOVERNMENTAL REVENUE	STATE FIRE AID	10,511.00
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	1,612.43
Summary Totals:		<u><u>124,025.17</u></u>

Check Issue Date(s): 11/10/2008 - 11/21/2008

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
11/08	11/19/2008	137177	30032	VOID - COURT ADMIN.-CONCILIATION	603-20200	60.00 -M
11/08	11/14/2008	137243	130011	MOUNTAIN IRON POSTMASTER	603-20200	327.90
11/08	11/18/2008	137244	10008	AIRGAS NORTH CENTRAL	101-20200	132.06
11/08	11/18/2008	137245	130017	AMERICAN BANK	602-20200	65.05
11/08	11/18/2008	137246	1135	ANDREA STELLMACH	604-20200	145.13
11/08	11/18/2008	137247	10009	ARCHITECTURAL RESOURCES	301-20200	7,984.40
11/08	11/18/2008	137248	10025	ARROWHEAD REGION EMER. MGMT A	101-20200	25.00
11/08	11/18/2008	137249	20001	BAKER FIRE EQUIPMENT	101-20200	102.00
11/08	11/18/2008	137250	20048	BARNES DISTRIBUTION	101-20200	304.22
11/08	11/18/2008	137251	30004	CITY OF MOUNTAIN IRON	101-20200	2,955.30
11/08	11/18/2008	137252	220003	CITY OF VIRGINIA	101-20200	3,721.43
11/08	11/18/2008	137253	40030	DULUTH CLINIC	101-20200	2,037.00
11/08	11/18/2008	137254	40015	DULUTH NEWS TRIBUNE	101-20200	248.56
11/08	11/18/2008	137255	500012	ERA LABORATORIES INC	602-20200	662.35
11/08	11/18/2008	137256	60029	FERGUSON ENTERPRISES INC	601-20200	1,423.87
11/08	11/18/2008	137257	60006	FISHER PRINTING	101-20200	285.42
11/08	11/18/2008	137258	60038	FLEET SERVICES	101-20200	6,709.98
11/08	11/18/2008	137259	1140	GARY SKALCO	101-20200	200.00
11/08	11/18/2008	137260	70016	GOPHER STATE ONE CALL INC	604-20200	73.95
11/08	11/18/2008	137261	70003	GREAT RIVER ENERGY PRINTING	604-20200	81.47
11/08	11/18/2008	137262	70028	GREATER MINNESOTA AGENCY INC	101-20200	192.00
11/08	11/18/2008	137263	80032	HARTIKKA, TERRY	101-20200	500.00
11/08	11/18/2008	137264	80001	HILLYARD/HUTCHINSON	101-20200	321.83
11/08	11/18/2008	137265	60018	JILL M ANDERSON	101-20200	19.69
11/08	11/18/2008	137266	1132	JOANN VERGOTH	604-20200	93.56
11/08	11/18/2008	137267	120006	L & M SUPPLY	101-20200	1,371.29
11/08	11/18/2008	137268	120023	LOCATORS & SUPPLIES INC	101-20200	919.61
11/08	11/18/2008	137269	1141	LYNN GOERDT	101-20200	200.00
11/08	11/18/2008	137270	1137	MARIANNE K. DEAN	604-20200	97.03
11/08	11/18/2008	137271	1138	MARY E WELLER	604-20200	143.85
11/08	11/18/2008	137272	130004	MESABI DAILY NEWS	101-20200	2,416.75
11/08	11/18/2008	137273	130006	MESABI HUMANE SOCIETY	101-20200	1,000.00
11/08	11/18/2008	137274	130026	MESABI SIGN COMPANY	101-20200	2,046.50
11/08	11/18/2008	137275	1142	MICHELLE TVEIT	101-20200	100.00
11/08	11/18/2008	137276	130044	MINNESOTA DEPT OF HEALTH	101-20200	285.00
11/08	11/18/2008	137277	140026	MINNESOTA ENERGY RESOURCES	101-20200	3,080.36
11/08	11/18/2008	137278	130009	MINNESOTA POWER	604-20200	53,832.58
11/08	11/18/2008	137279	1133	MIRANDA JOHNSON	604-20200	293.72
11/08	11/18/2008	137280	130075	MN DEPT OF LABOR AND INDUSTRY	101-20200	20.00
11/08	11/18/2008	137281	130013	MOUNTAIN IRON FIREMEN'S RELIEF	101-20200	10,511.00
11/08	11/18/2008	137282	130015	MOUNTAIN IRON PUBLIC UTILITIES	101-20200	11,710.41
11/08	11/18/2008	137283	13110	MOUNTAIN IRON SENIOR CITIZENS	101-20200	100.00
11/08	11/18/2008	137284	140061	NELSON ROOFING INC	301-20200	14,950.00
11/08	11/18/2008	137285	1134	NICOLE JACKSHA	604-20200	272.84
11/08	11/18/2008	137286	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	200.00
11/08	11/18/2008	137287	140043	NORTHERN 2-WAY SERVICE LLC	101-20200	120.00
11/08	11/18/2008	137288	160003	PERPICH TV & MUSIC INC	101-20200	79.86
11/08	11/18/2008	137289	160038	PITNEY BOWES	101-20200	390.93
11/08	11/18/2008	137290	160037	PRAXAIR	101-20200	43.49
11/08	11/18/2008	137291	170001	QWEST	101-20200	349.72
11/08	11/18/2008	137292	180001	RANGE PAPER	602-20200	95.51
11/08	11/18/2008	137293	180012	RESCO	604-20200	9,690.44
11/08	11/18/2008	137294	180045	RESERVE ACCOUNT	101-20200	500.00
11/08	11/18/2008	137295	20015	ROBERT BROWN	101-20200	130.46
11/08	11/18/2008	137296	1131	ROBERT OR LINDA BENNETT	604-20200	72.70
11/08	11/18/2008	137297	1136	RYAN OR MARIA GERZINA	604-20200	300.34
11/08	11/18/2008	137298	1139	SANDY BUFFETTA	101-20200	200.00

Check Issue Date(s): 11/10/2008 - 11/21/2008

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
11/08	11/18/2008	137299	190045	SERVICE SOLUTIONS	101-20200	324.93
11/08	11/18/2008	137300	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	35,833.00
11/08	11/18/2008	137301	190002	ST LOUIS COUNTY AUDITOR	603-20200	17,755.25
11/08	11/18/2008	137302	1244	ST LOUIS COUNTY SOCIAL SRV	604-20200	532.19
11/08	11/18/2008	137303	190061	SULLIVAN CANDY & SUPPLY	101-20200	143.45
11/08	11/18/2008	137304	200020	THE TRENTI LAW FIRM	101-20200	2,706.13
11/08	11/18/2008	137305	210010	ULLAND BROTHERS INC	101-20200	1,086.15
11/08	11/18/2008	137306	210001	UNITED ELECTRIC COMPANY	101-20200	7,842.15
11/08	11/18/2008	137307	220004	VIRGINIA DEPARTMENT OF PUBLIC	604-20200	35,187.95
11/08	11/18/2008	137308	220020	VISA OR AMERICAN BANK CC PMT	101-20200	7,280.33
11/08	11/18/2008	137309	230028	WISCONSIN ENERGY CONSERVATION	604-20200	223.50

Totals:

252,991.59

Payroll-PP ending 11/14/08 56,478.06

Sales Tax-Electronic Trans/11-20-08 10,372.33TOTAL EXPENDITURES \$319,841.98



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 58-08

ACCEPTING THE OFFER OF DEDICATION OF STREET RIGHT-OF-WAY EASEMENTS AS SHOWN ON THE FINAL PLAT

WHEREAS, on October 6, 2008, the City Council approved the Final Plat of the Rock Ridge Development Subdivision, also the accepting the offers of dedication shown thereon subject to acceptance of improvements; and

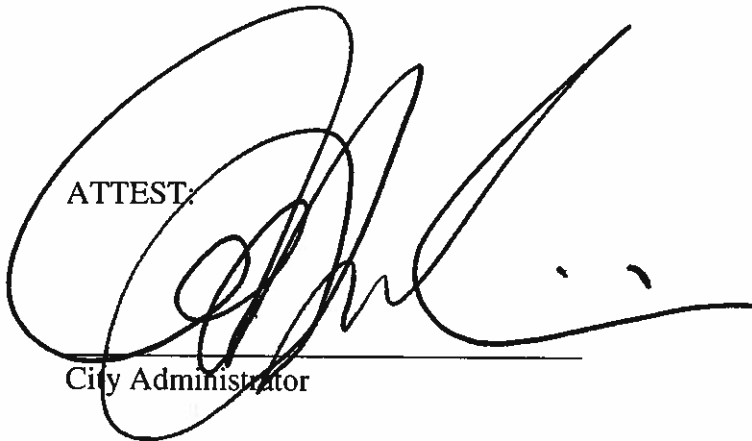
WHEREAS, the required public improvements have been completed in conformance with the Mountain Iron City Code.

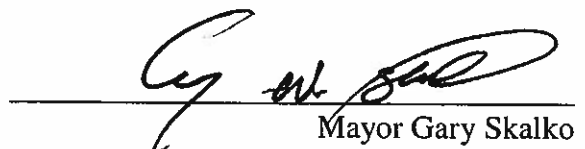
NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the public improvements within the Rock Ridge Development Subdivision, St. Louis County, Minnesota are hereby accepted for maintenance.

BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, that the offers of dedication are hereby accepted for the following streets: Park Ridge Drive and Commerce Street and all easements as shown on the Final Plat of the Rock Ridge Development Subdivision, St. Louis County, Minnesota.

DULY ADOPTED BY THE CITY COUNCIL THIS 17TH DAY OF NOVEMBER, 2008.

ATTEST:



City Administrator

Mayor Gary Skalko

MINUTES
MOUNTAIN IRON CITY COUNCIL
SPECIAL MEETING
NOVEMBER 24, 2008

Mayor Skalko called the City Council meeting to order at 5:34 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; and Don Kleinschmidt, Director of Public Works.

The Mayor advised the Council that the purpose of the meeting was to consider the vacation of several streets.

At 5:35 p.m., it was moved by Zupancich and seconded by Roskoski to recess the regular meeting and open the public hearing on the street vacations. The motion carried.

Darin Alto, Prudential Northland Realty, was present and informed the Council that the purpose of the request for the street vacations was to allow a commercial development to proceed in the area to best utilize the land adjacent to Highway 53. He said that he has been working on the project since 2006 and they anticipate construction to begin in the Spring of 2009.

At 5:51 p.m., it was moved by Zupancich and seconded by Skalko to close the public hearing and reconvene the special meeting. The motion carried.

It was moved by Stanaway and seconded by Prebeg to adopt Resolution Number 59-08, vacating streets and alleys upon a petition of a majority of abutting landowners, (a copy is attached and made a part of these minutes). The motion carried.

At 5:52 p.m., it was moved by Skalko and seconded by Zupancich that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

MINUTES
MOUNTAIN IRON CITY COUNCIL/PLANNING & ZONING COMMISSION
COMMITTEE-OF-THE-WHOLE MEETING
NOVEMBER 24, 2008

Mayor Skalko called the City Council meeting to order at 6:01 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; and Rod Flannigan, City Engineer.

The following Planning and Zoning Commission members were present: Ray Saari, Stephen Skogman, Victoria Juntunen, Margaret Soyring, and Barb Fivecoate. Absent members included: Joe Piersig and Jim Giorgi. Also present were: Jerry D. Kujala, Zoning Administrator; and Bob Brown, Commercial Building Inspector.

The Mayor advised the Council and the Commission that they were meeting to discuss the "Site Survey" requirement in the Zoning Ordinance. The Mayor read the following except from the City Ordinance: "Site Survey. For any structure to be constructed on a permanent foundation, the applicant shall submit a certified site survey prepared by a registered land surveyor. Such survey shall show the location and setbacks for all proposed and existing structures on the lot. Properties located with the boundaries of the rural residential and mineral mining classifications are exempt from this requirement."

The Zoning Administrator distributed a sample copy of a site survey that was recently submitted with a building permit application.

The City Engineer advised the Council and the Commission, that the approximate cost of a site survey would be approximately \$50 and if an entire new survey is completed it could cost approximately \$600.

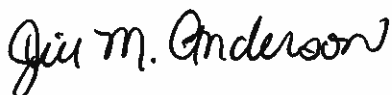
The group discussed land surveys, site surveys, and boundary surveys. It was the consensus of the group that a site survey is required for new construction, as outlined in the ordinance, and the property owner signs the building permit application certifying that the information that they are submitting is accurate.

At 6:42 p.m., Councilor Roskoski left the meeting.

At 6:44 p.m., Councilor Roskoski returned to the meeting.

At 6:54 p.m., it was moved by Skalko and seconded by Zupancich that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

MINUTES
MOUNTAIN IRON CITY COUNCIL
COMMITTEE-OF-THE-WHOLE MEETING
NOVEMBER 24, 2008

Mayor Skalko called the City Council meeting to order at 7:02 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; Tom Cvar, Fire Chief; Steve Norvitch, Assistant Fire Chief; and Joe Buria, Mountain Iron Fire Department.

The Mayor advised the Council that the purpose of the meeting was to review the 2009 budget. He thanked City Staff for preparing the budget information for the Council to review.

The Mayor suggested that the Council look at adopting the 2009 budget keeping in mind that the Legislature may be cutting Local Government Aid in 2009, so the Council has a contingency plan to cover any losses in aid.

The City Administrator informed the Council the following items should be considered mandatory in the 2009 Capital Improvement Budget:

Slate Street Storm Sewer	\$ 50,000 (with \$50,000 in Grant Funding)
Old Town Streetscape	\$ 50,000 (with \$143,280 in Grant Funding)
2008 Equipment Purchase	\$103,000 (a budget commitment for 2009 and 2010)
Energy Park	\$ <u> </u> 0 (with \$1,000,000 in Grant Funding)
TOTAL	\$203,000

The Director of Public Works suggested that the remaining portion of the Old Highway 169 project be completed in 2009 to reduce costs instead of completed the project in 2009 and 2010. He said the City would be taking advantage of lower oil prices and reductions in the mobilization and traffic control costs.

The Director of Public Works said that the Park and Recreation Board prioritized their capital improvement requests as follows:

1. Locomotive Park - \$50,000
2. Pickup Truck - \$30,000
3. Playground - Ann's Acres - \$35,000
4. Hockey Rink Concrete-South Grove - \$125,000 (So the area can be used year round for rollerblading, basketball, and ice skating.)

It was the consensus of the Council to have the following items prioritized first in the Capital Improvement Budget:

Community Center Painting	\$ 30,000
Garage Roof	\$ 50,000
Squad Car	\$ 30,000
Old Highway 169	\$125,000 (with additional funds from reserves)
Grass Rig	<u>\$ 35,000</u>
TOTAL	\$270,000

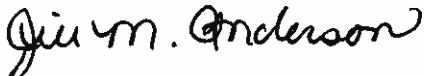
With the following listed as secondary items if there are no local government aid reductions:

Technology Upgrades	\$ 20,000
Pickup Truck-Parks	\$ 30,000
Locomotive Park	<u>\$ 50,000</u>
TOTAL	\$100,000

The Administrator said that he needs to review the contract services for Animal Control for a possible adjustment.

At 7:56 p.m., it was moved by Skalko and seconded by Zupancich that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COUNCIL LETTER 120108-IVA1

MAYOR SKALKO

LABOR MANAGEMENT MEETING

DATE: November 26, 2008

FROM: Gary Skalko
Mayor

Craig J. Wainio
City Administrator

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

Set-up the final Labor/Management meeting of the year, either on Tuesday, December 9th or Thursday, December 11th, 2008.

COUNCIL LETTER 120108-IVA2

MAYOR SKALKO

POLYMET SUPPORT

DATE: November 26, 2008

FROM: Gary Skalko
Mayor

Craig J. Wainio
City Administrator

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

Pass a resolution supporting this project in Hoyt Lakes (Old LTV site).

COUNCIL LETTER 120108-IVB1

ADMINISTRATION

2009 BUDGET

DATE: November 26, 2008

FROM: Craig J. Wainio
City Administrator

Enclosed in your packet is the proposed 2009 Budget for the City of Mountain Iron. This budget incorporates the changes identified at the November 24th Committee-of-the-Whole Meeting. The City Council needs to review the budget and modify as necessary. The final budget package, along with the Resolutions adopting the levies will be presented to the City Council at their December 15th meeting for adoption.

**2009 BUDGET SUMMARY
CITY OF MOUNTAIN IRON**

EXPENDITURES	2008 Budget	2009 Budget	Difference	Percent
Administration	\$ 550,900.00	\$ 580,300.00	\$ 29,400.00	5.3%
Public Safety	\$ 546,800.00	\$ 555,200.00	\$ 8,400.00	1.5%
Public Works	\$ 804,500.00	\$ 840,000.00	\$ 35,500.00	4.4%
Culture and Rec	\$ 388,500.00	\$ 396,500.00	\$ 8,000.00	2.1%
General Government	\$ 919,007.00	\$ 1,238,000.00	\$ 318,993.00	34.7%
TOTAL	\$ 3,209,707.00	\$ 3,610,000.00	\$ 400,293.00	12.5%

REVENUE	2008 Budget	2009 Budget	Difference	Percent
Taxes	\$ 133,102.00	\$ 339,092.00	\$ 205,990.00	154.8%
Intergovernmental Aid	\$ 1,885,649.00	\$ 2,316,762.00	\$ 431,113.00	22.9%
General Revenue	\$ 210,000.00	\$ 213,000.00	\$ 3,000.00	1.4%
TOTAL	\$ 2,228,751.00	\$ 2,868,854.00	\$ 640,103.00	28.7%

GENERAL LEVY \$ 980,956.00 \$ 741,146.00 \$ (239,810.00) -24.4%

**2009 BUDGET SUMMARY
CITY OF MOUNTAIN IRON
REVENUE**

GENERAL REVENUE	2008 Budget	2009 Budget	Difference	Percent
Lic. & Permits	\$ 20,000.00	\$ 25,000.00	\$ 5,000.00	25.0%
Charges for Service	\$ 50,000.00	\$ 50,000.00	\$ -	0.0%
Fines	\$ 10,000.00	\$ 11,000.00	\$ 1,000.00	10.0%
Interest	\$ 30,000.00	\$ 32,000.00	\$ 2,000.00	6.7%
Refunds	\$ 90,000.00	\$ 90,000.00	\$ -	0.0%
General	\$ 10,000.00	\$ 5,000.00	\$ (5,000.00)	-50.0%
Subtotal	\$ 210,000.00	\$ 213,000.00	\$ 3,000.00	1.4%

INTERGOVERNMENTAL REVENUE

Local Government Aid	\$ 825,649.00	\$ 1,208,124.00	\$ 382,475.00	46.3%
Taconite Production Tax	\$ 600,000.00	\$ 620,000.00	\$ 20,000.00	3.3%
Taconite Municipal Aid	\$ 330,000.00	\$ 351,638.00	\$ 21,638.00	6.6%
Mining Effects Tax	\$ 110,000.00	\$ 112,000.00	\$ 2,000.00	1.8%
Other	\$ 20,000.00	\$ 25,000.00	\$ 5,000.00	25.0%
Subtotal	\$ 1,885,649.00	\$ 2,316,762.00	\$ 431,113.00	22.9%

TAXES

Tax Levy	\$ 1,002,969.00	\$ 741,146.00	\$ (261,823.00)	-26.1%
Special Levies	\$ -	\$ 207,407.00	\$ 207,407.00	100.0%
Market Rate Levy	\$ 83,102.00	\$ 81,685.00	\$ (1,417.00)	-1.7%
Misc. Taxes	\$ 30,000.00	\$ 30,000.00	\$ -	0.0%
Franchise	\$ 20,000.00	\$ 20,000.00	\$ -	0.0%
Subtotal	\$ 1,136,071.00	\$ 1,080,238.00	\$ (55,833.00)	-4.9%

Total	\$ 3,231,720.00	\$ 3,610,000.00	\$ 378,280.00	11.7%
--------------	------------------------	------------------------	----------------------	--------------

**2009 BUDGET
CITY OF MOUNTAIN IRON
REVENUE**

TAXES	2006 ACTUAL	2007 ACTUAL	2008 BUDGET	2008 YTD	2009 BUDGET	%
Tax Levy	\$ 750,356.00	\$ 863,610.00	\$ 1,002,969.00	\$ 472,906.00	\$ 741,146.00	-26.1%
Special Levies	\$ -	\$ -	\$ -	\$ -	\$ 207,407.00	100.0%
Bond Levy	\$ 87,378.00	\$ 85,536.00	\$ 83,102.00	\$ 46,646.00	\$ 81,685.00	-1.7%
Misc Taxes	\$ 197,371.00	\$ 16,754.00	\$ 30,000.00	\$ 15,532.00	\$ 30,000.00	0.0%
Franchise	\$ 21,310.00	\$ 23,207.00	\$ 20,000.00	\$ 17,768.00	\$ 20,000.00	0.0%
TOTAL	\$ 1,056,415.00	\$ 989,107.00	\$ 1,136,071.00	\$ 552,852.00	\$ 1,080,238.00	-4.9%

INTERGOVERNMENTAL REVENI

LG A	\$ 623,882.00	\$ 718,350.00	\$ 825,649.00	\$ 412,825.00	\$ 1,208,124.00	46.3%
Tac. Prod Aid	\$ 705,538.00	\$ 603,196.00	\$ 600,000.00	\$ 643,502.00	\$ 620,000.00	3.3%
Tac. Aid	\$ 380,628.00	\$ 391,189.00	\$ 330,000.00	\$ 381,145.00	\$ 351,638.00	6.6%
Mining Effects	\$ 116,157.00	\$ 117,333.00	\$ 110,000.00	\$ 56,117.00	\$ 112,000.00	1.8%
Misc. Aid	\$ 160,277.00	\$ 178,573.00	\$ 20,000.00	\$ 3,265.00	\$ 25,000.00	25.0%
TOTAL	\$ 1,986,482.00	\$ 2,008,641.00	\$ 1,885,649.00	\$ 1,496,854.00	\$ 2,316,762.00	22.9%

GENERAL REVENUE

Lic. & Permits	\$ 36,720.00	\$ 27,842.00	\$ 20,000.00	\$ 90,034.00	\$ 25,000.00	25.0%
Charges for Service	\$ 45,195.00	\$ 170,780.00	\$ 50,000.00	\$ 70,524.00	\$ 50,000.00	0.0%
Fines	\$ 12,811.00	\$ 13,866.00	\$ 10,000.00	\$ 13,773.00	\$ 11,000.00	10.0%
Interest	\$ 38,914.00	\$ 49,977.00	\$ 30,000.00	\$ 30,367.00	\$ 32,000.00	6.7%
Refunds	\$ 85,865.00	\$ 21,559.00	\$ 90,000.00	\$ 52,249.00	\$ 90,000.00	0.0%
General	\$ 4,629.00	\$ 296.00	\$ 10,000.00	\$ 1,716.00	\$ 5,000.00	-50.0%
TOTAL	\$ 224,134.00	\$ 284,320.00	\$ 210,000.00	\$ 258,663.00	\$ 213,000.00	1.4%

TOTAL	\$ 3,267,031.00	\$ 3,282,068.00	\$ 3,231,720.00	\$ 2,308,369.00	\$ 3,610,000.00	11.7%
--------------	-----------------	-----------------	-----------------	-----------------	-----------------	-------

**2009 BUDGET SUMMARY
CITY OF MOUNTAIN IRON
EXPENDITURES**

DEPARTMENT	2008 Budget	2009 Budget	Difference	Percent
City Council	\$ 15,500.00	\$ 26,000.00	\$ 10,500.00	67.7%
Administration	\$ 475,000.00	\$ 499,000.00	\$ 24,000.00	5.1%
Election	\$ 9,000.00	-	\$ (9,000.00)	-100.0%
Assessing	\$ 28,800.00	\$ 31,000.00	\$ 2,200.00	7.6%
Planning & Zoning	\$ 22,600.00	\$ 24,300.00	\$ 1,700.00	7.5%
Sheriffs	\$ 440,000.00	\$ 440,000.00	-	0.0%
Fire Protection	\$ 88,300.00	\$ 90,700.00	\$ 2,400.00	2.7%
Emergency Management	\$ 6,000.00	\$ 6,000.00	-	0.0%
Animal Control	\$ 12,500.00	\$ 18,500.00	\$ 6,000.00	48.0%
Streets	\$ 640,000.00	\$ 665,000.00	\$ 25,000.00	3.9%
Buildings	\$ 164,500.00	\$ 175,000.00	\$ 10,500.00	6.4%
Campground	\$ 53,500.00	\$ 54,500.00	\$ 1,000.00	1.9%
Recreation	\$ 205,000.00	\$ 205,000.00	-	0.0%
Government	\$ 214,220.00	\$ 235,000.00	\$ 20,780.00	9.7%
Library	\$ 130,000.00	\$ 137,000.00	\$ 7,000.00	5.4%
Transfers	\$ 704,787.00	\$ 1,003,000.00	\$ 298,213.00	42.3%
Total	\$ 3,209,707.00	\$ 3,610,000.00	\$ 400,293.00	12.5%

2009 BUDGET
CITY OF MOUNTAIN IRON
GOVERNMENT OPERATIONS

CITY COUNCIL	2006	2007	2008	2008	2009	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Council Salaries	\$ 11,100.00	\$ 14,400.00	\$ 14,400.00	\$ 10,800.00	\$ 20,400.00	42%
Other	\$ 6,142.00	\$ 8,184.00	\$ 1,100.00	\$ 3,110.00	\$ 5,600.00	409%
TOTAL	\$ 17,242.00	\$ 22,584.00	\$ 15,500.00	\$ 13,910.00	\$ 26,000.00	68%

ADMINISTRATION

Salaries	\$ 199,512.00	\$ 205,481.00	\$ 200,000.00	\$ 149,075.00	\$ 206,000.00	3%
Payroll Taxes	\$ 27,865.00	\$ 30,447.00	\$ 30,000.00	\$ 22,895.00	\$ 32,000.00	7%
Insurance-Group	\$ 60,457.00	\$ 62,658.00	\$ 70,000.00	\$ 46,947.00	\$ 70,000.00	0%
Insurance-General	\$ 23,382.00	\$ 46,404.00	\$ 55,000.00	\$ 101,729.00	\$ 60,000.00	9%
Independent Audit	\$ 14,520.00	\$ 15,000.00	\$ 15,000.00	\$ 15,000.00	\$ 16,000.00	7%
Engineering Fees	\$ 18,273.00	\$ 25,205.00	\$ 35,000.00	\$ 52,956.00	\$ 40,000.00	14%
Legal Fees	\$ 51,500.00	\$ 51,146.00	\$ 35,000.00	\$ 41,738.00	\$ 40,000.00	14%
Communications	\$ 8,491.00	\$ 14,320.00	\$ 10,000.00	\$ 8,897.00	\$ 10,000.00	0%
Supplies	\$ 3,958.00	\$ 4,011.00	\$ 5,000.00	\$ 3,619.00	\$ 5,000.00	0%
Operations	\$ 34,778.00	\$ 27,450.00	\$ 20,000.00	\$ 19,975.00	\$ 20,000.00	0%
TOTAL	\$ 442,736.00	\$ 482,122.00	\$ 475,000.00	\$ 462,831.00	\$ 499,000.00	5%

ELECTION

Salaries	\$ 2,290.00	\$ -	\$ 5,000.00	\$ 1,207.00	\$ -	-100%
Operations	\$ 1,320.00	\$ -	\$ 4,000.00	\$ 393.00	\$ -	-100%
TOTAL	\$ 3,610.00	\$ -	\$ 9,000.00	\$ 1,600.00	\$ -	0%

**2009 BUDGET
CITY OF MOUNTAIN IRON
GOVERNMENT OPERATIONS**

ASSESSING	2006	2007	2008	2009	%
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Contract Services	\$ 27,485.00	\$ 29,783.00	\$ 27,800.00	\$ 30,000.00	8%
Operations	\$ 589.00	\$ 267.00	\$ 1,000.00	\$ 1,000.00	0%
TOTAL	\$ 28,074.00	\$ 30,050.00	\$ 28,800.00	\$ 31,000.00	8%

PLANNING & ZONING

Salaries	\$ 19,262.00	\$ 14,708.00	\$ 17,000.00	\$ 38,273.00	6%
Payroll Taxes	\$ 2,161.00	\$ 1,625.00	\$ 2,000.00	\$ 5,034.00	25%
Operations	\$ 6,122.00	\$ 4,722.00	\$ 3,600.00	\$ 3,214.00	6%
TOTAL	\$ 27,545.00	\$ 21,055.00	\$ 22,600.00	\$ 46,521.00	8%

ADMINISTRATION

TOTAL	\$ 519,207.00	\$ 555,811.00	\$ 550,900.00	\$ 525,127.00	5%
--------------	---------------	---------------	---------------	---------------	----

**2009 BUDGET
CITY OF MOUNTAIN IRON
PUBLIC SAFETY**

POLICE PROTECTION	2006 ACTUAL	2007 ACTUAL	2008 BUDGET	2008 YTD	2009 BUDGET	%
Contract Services	\$ 420,000.00	\$ 435,382.00	\$ 430,000.00	\$ 322,501.00	\$ 430,000.00	0%
Other Expenditures	\$ 10,447.00	\$ 8,860.00	\$ 10,000.00	\$ 4,547.00	\$ 10,000.00	0%
TOTAL	\$ 430,447.00	\$ 444,242.00	\$ 440,000.00	\$ 327,048.00	\$ 440,000.00	0%

FIRE PROTECTION

Salaries	\$ 22,998.00	\$ 21,923.00	\$ 19,000.00	\$ 11,895.00	\$ 19,000.00	0%
Payroll Taxes	\$ 2,416.00	\$ 2,910.00	\$ 2,100.00	\$ 1,773.00	\$ 2,100.00	0%
Training	\$ 13,525.00	\$ 13,428.00	\$ 20,000.00	\$ 6,810.00	\$ 20,000.00	0%
Maintenance	\$ 6,594.00	\$ 9,979.00	\$ 10,000.00	\$ 7,597.00	\$ 10,000.00	0%
Operations	\$ 17,572.00	\$ 19,686.00	\$ 16,600.00	\$ 16,461.00	\$ 16,600.00	0%
Firemen's Relief	\$ 26,327.00	\$ 30,981.00	\$ 20,600.00	\$ 1,000.00	\$ 23,000.00	12%
TOTAL	\$ 89,432.00	\$ 98,907.00	\$ 88,300.00	\$ 45,536.00	\$ 90,700.00	3%

EMERGENCY MANAGEMENT

Plan Update	\$ -	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	0%
Operations	\$ 175.00	\$ 100.00	\$ 1,000.00	\$ -	\$ 1,000.00	0%
TOTAL	\$ 175.00	\$ 100.00	\$ 6,000.00	\$ -	\$ 6,000.00	0%

ANIMAL CONTROL

Contract Services	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 9,000.00	\$ 18,000.00	50%
Operations	\$ 238.00	\$ 212.00	\$ 500.00	\$ 99.00	\$ 500.00	0%
TOTAL	\$ 12,238.00	\$ 12,212.00	\$ 12,500.00	\$ 9,099.00	\$ 18,500.00	48%

PUBLIC SAFETY

TOTAL	\$ 532,292.00	\$ 555,461.00	\$ 546,800.00	\$ 381,683.00	\$ 555,200.00	2%
--------------	---------------	---------------	---------------	---------------	---------------	----

**2009 BUDGET
CITY OF MOUNTAIN IRON
PUBLIC WORKS**

STREETS	2006	2007	2008	2008	2009	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 345,430.00	\$ 329,120.00	\$ 350,000.00	\$ 251,484.00	\$ 360,000.00	3%
Payroll Taxes	\$ 46,384.00	\$ 47,851.00	\$ 50,000.00	\$ 36,887.00	\$ 50,000.00	0%
Insurance-Group	\$ 103,949.00	\$ 141,938.00	\$ 110,000.00	\$ 74,145.00	\$ 110,000.00	0%
Utilities	\$ 47,992.00	\$ 46,201.00	\$ 50,000.00	\$ 33,922.00	\$ 50,000.00	0%
Maintenance	\$ 72,888.00	\$ 95,047.00	\$ 45,000.00	\$ 49,503.00	\$ 50,000.00	11%
Supplies	\$ 28,740.00	\$ 31,361.00	\$ 20,000.00	\$ 29,017.00	\$ 25,000.00	25%
Operations	\$ 19,003.00	\$ 7,205.00	\$ 15,000.00	\$ 12,946.00	\$ 20,000.00	33%
TOTAL	\$ 664,386.00	\$ 698,723.00	\$ 640,000.00	\$ 487,904.00	\$ 665,000.00	4%

BUILDINGS	2006	2007	2008	2008	2009	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 59,556.00	\$ 71,591.00	\$ 60,000.00	\$ 49,461.00	\$ 62,000.00	3%
Payroll Taxes	\$ 8,309.00	\$ 11,222.00	\$ 9,500.00	\$ 7,110.00	\$ 10,000.00	5%
Insurance-Group	\$ 22,419.00	\$ 25,342.00	\$ 20,000.00	\$ 19,009.00	\$ 21,000.00	5%
Utilities	\$ 42,243.00	\$ 45,601.00	\$ 40,000.00	\$ 26,216.00	\$ 45,000.00	13%
Communications	\$ 1,329.00	\$ 1,210.00	\$ 2,000.00	\$ 936.00	\$ 2,000.00	0%
Supplies	\$ 17,196.00	\$ 21,443.00	\$ 13,000.00	\$ 23,140.00	\$ 15,000.00	15%
Operations	\$ 22,514.00	\$ 32,759.00	\$ 20,000.00	\$ 8,276.00	\$ 20,000.00	0%
TOTAL	\$ 173,566.00	\$ 209,168.00	\$ 164,500.00	\$ 134,148.00	\$ 175,000.00	6%

PUBLIC WORKS	\$ 837,952.00	\$ 907,891.00	\$ 804,500.00	\$ 622,052.00	\$ 840,000.00	4%
TOTAL						

2009 BUDGET
CITY OF MOUNTAIN IRON
CULTURE AND RECREATION

CAMPGROUND	2006		2007		2008		2009		%
	ACTUAL	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	BUDGET		
Salaries	\$ 19,830.00	\$ 14,676.00	\$ 20,000.00	\$ 21,000.00	\$ 16,438.00	\$ 21,000.00	\$ 21,000.00	5%	
Payroll Taxes	\$ 2,140.00	\$ 1,393.00	\$ 2,000.00	\$ 2,000.00	\$ 1,385.00	\$ 2,000.00	\$ 2,000.00	0%	
Insurance-Group	\$ 2,487.00	\$ 1,401.00	\$ 5,000.00	\$ 5,000.00	\$ 845.00	\$ 5,000.00	\$ 5,000.00	0%	
Utilities	\$ 6,347.00	\$ 7,568.00	\$ 7,000.00	\$ 7,000.00	\$ 5,429.00	\$ 7,000.00	\$ 7,000.00	0%	
Operations	\$ 31,484.00	\$ 34,559.00	\$ 18,500.00	\$ 18,500.00	\$ 25,367.00	\$ 18,500.00	\$ 18,500.00	0%	
Advertising	\$ 300.00	\$ 166.00	\$ 1,000.00	\$ 1,000.00	\$ 509.00	\$ 1,000.00	\$ 1,000.00	0%	
TOTAL	\$ 62,588.00	\$ 59,763.00	\$ 53,500.00	\$ 53,500.00	\$ 49,973.00	\$ 54,500.00	\$ 54,500.00	2%	

RECREATION DEPARTMENT

Salaries	\$ 94,679.00	\$ 76,867.00	\$ 107,000.00	\$ 107,000.00	\$ 51,032.00	\$ 107,000.00	\$ 107,000.00	0%
Payroll Taxes	\$ 12,350.00	\$ 9,990.00	\$ 13,000.00	\$ 13,000.00	\$ 6,402.00	\$ 13,000.00	\$ 13,000.00	0%
Insurance-Group	\$ 27,458.00	\$ 22,831.00	\$ 25,000.00	\$ 25,000.00	\$ 13,905.00	\$ 25,000.00	\$ 25,000.00	0%
Utilities	\$ 9,819.00	\$ 11,792.00	\$ 11,000.00	\$ 11,000.00	\$ 7,455.00	\$ 11,000.00	\$ 11,000.00	0%
Maintenance	\$ 6,119.00	\$ 11,807.00	\$ 9,000.00	\$ 9,000.00	\$ 19,109.00	\$ 9,000.00	\$ 9,000.00	0%
Operations	\$ 13,760.00	\$ 22,838.00	\$ 22,000.00	\$ 22,000.00	\$ 19,121.00	\$ 22,000.00	\$ 22,000.00	0%
Baseball/Softball	\$ 6,024.00	\$ 3,089.00	\$ 6,000.00	\$ 6,000.00	\$ 2,190.00	\$ 6,000.00	\$ 6,000.00	0%
Special Events	\$ 8,599.00	\$ 11,897.00	\$ 12,000.00	\$ 12,000.00	\$ 15,259.00	\$ 12,000.00	\$ 12,000.00	0%
TOTAL	\$ 178,808.00	\$ 171,111.00	\$ 205,000.00	\$ 205,000.00	\$ 134,473.00	\$ 205,000.00	\$ 205,000.00	0%

LIBRARY

Salaries	\$ 72,604.00	\$ 63,024.00	\$ 75,000.00	\$ 75,000.00	\$ 48,037.00	\$ 80,000.00	\$ 80,000.00	7%
Payroll Taxes	\$ 8,351.00	\$ 9,973.00	\$ 10,000.00	\$ 10,000.00	\$ 8,390.00	\$ 12,000.00	\$ 12,000.00	20%
Insurance-Group	\$ 2,430.00	\$ 12,848.00	\$ 10,000.00	\$ 10,000.00	\$ 12,599.00	\$ 10,000.00	\$ 10,000.00	0%
Utilities	\$ 8,118.00	\$ 7,615.00	\$ 8,000.00	\$ 8,000.00	\$ 5,114.00	\$ 8,000.00	\$ 8,000.00	0%
Books	\$ 14,346.00	\$ 9,469.00	\$ 17,000.00	\$ 17,000.00	\$ 8,114.00	\$ 17,000.00	\$ 17,000.00	0%
Communications	\$ 4,572.00	\$ 5,188.00	\$ 5,000.00	\$ 5,000.00	\$ 3,399.00	\$ 5,000.00	\$ 5,000.00	0%
Operations	\$ 6,608.00	\$ 8,151.00	\$ 5,000.00	\$ 5,000.00	\$ 7,345.00	\$ 5,000.00	\$ 5,000.00	0%
TOTAL	\$ 117,029.00	\$ 116,268.00	\$ 130,000.00	\$ 130,000.00	\$ 92,998.00	\$ 137,000.00	\$ 137,000.00	5%

CULTURE AND RECREATION

TOTAL	\$ 358,425.00	\$ 347,142.00	\$ 388,500.00	\$ 388,500.00	\$ 277,444.00	\$ 396,500.00	\$ 396,500.00	2%
--------------	---------------	---------------	---------------	---------------	---------------	---------------	---------------	----

2009 BUDGET
CITY OF MOUNTAIN IRON
GENERAL GOVERNMENT

GENERAL GOVERNMENT	2006 ACTUAL	2007 ACTUAL	2008 BUDGET	2008 YTD	2009 BUDGET	%
Cash Short and Over	\$ 164.00	\$ 7.00	\$ 10.00	\$ (4.00)	\$ 10.00	0%
Cemeteries	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	0%
Retire/Pension Contrib.	\$ 105,723.00	\$ 110,515.00	\$ 110,000.00	\$ 94,095.00	\$ 120,000.00	9%
Public Expense	\$ 5,920.00	\$ 2,681.00	\$ 9,990.00	\$ 2,195.00	\$ 9,990.00	0%
Promotion and Tourism	\$ 2,280.00	\$ 2,455.00	\$ 2,500.00	\$ -	\$ 2,500.00	0%
EMT Equipment	\$ 1,607.00	\$ 32,751.00	\$ 12,000.00	\$ 1,120.00	\$ 12,000.00	0%
Intergovernmental Coop	\$ 803.00	\$ 1,221.00	\$ -	\$ 1,920.00	\$ -	0%
Contribution - QCJRA	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	\$ 10,000.00	49%
Planning	\$ -	\$ 7,500.00	\$ 10,000.00	\$ -	\$ 5,000.00	-50%
Televise Meetings	\$ 3,950.00	\$ 3,900.00	\$ 5,000.00	\$ 3,300.00	\$ 5,000.00	0%
Hydrants	\$ 779.00	\$ 210.00	\$ 2,000.00	\$ 259.00	\$ 2,000.00	0%
TCBDA	\$ 47,190.00	\$ 49,639.00	\$ 50,000.00	\$ 36,442.00	\$ 50,000.00	0%
Mineview in the Sky	\$ -	\$ -	\$ -	\$ 2,500.00	\$ 2,500.00	100%
Tax Abatement	\$ -	\$ -	\$ -	\$ 5,000.00	\$ 10,000.00	100%
VRMC Contribution	\$ 2,500.00	\$ 2,000.00	\$ -	\$ -	\$ -	0%
TOTAL	\$ 183,636.00	\$ 225,599.00	\$ 214,220.00	\$ 159,547.00	\$ 235,000.00	10%
TRANSFERS						
Capital Improvement	\$ 301,030.00	\$ 388,358.00	\$ 343,787.00	\$ 257,840.00	\$ 578,000.00	68%
Mining Effects	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	0%
Debt Service	\$ 235,000.00	\$ 229,267.00	\$ 311,000.00	\$ 233,249.00	\$ 375,000.00	21%
TOTAL	\$ 586,030.00	\$ 667,625.00	\$ 704,787.00	\$ 541,089.00	\$ 1,003,000.00	42%
GENERAL GOVERNMENT						
TOTAL	\$ 769,666.00	\$ 893,224.00	\$ 919,007.00	\$ 700,636.00	\$ 1,238,000.00	35%
TOTAL EXPENDITURES	\$ 3,017,542.00	\$ 3,259,529.00	\$ 3,209,707.00	\$ 2,506,942.00	\$ 3,610,000.00	

2009 Capital Improvement Budget

REVENUE	2009
General Fund	\$ 628,000.00
Grants	\$ 1,193,280.00
Utilities	\$ 25,000.00
TOTAL	\$1,846,280.00

EXPENDITURE	Department	Projects	Grants	Utilities	TOTAL
Technology Upgrades	Admin	\$ 20,000.00			\$ 20,000.00
Slate Street Storm Sewer	Streets	\$ 50,000.00	\$ 50,000.00		\$ 100,000.00
Old Town Streetscape	Development	\$ 50,000.00	\$ 143,280.00		\$ 193,280.00
2008 Equipment Purchase	Streets	\$ 103,000.00			\$ 103,000.00
Pickup Truck	Parks	\$ 25,000.00			\$ 25,000.00
Community Center Painting	Buildings	\$ 30,000.00			\$ 30,000.00
Garage Roof	Streets	\$ 50,000.00		\$ 25,000.00	\$ 75,000.00
Squad Car	Sheriffs	\$ 30,000.00			\$ 30,000.00
Old Highway 169	Streets	\$ 125,000.00			\$ 125,000.00
Grass Rig	Fire	\$ 35,000.00			\$ 35,000.00
Locomotive Park	Parks	\$ 50,000.00			\$ 50,000.00
Playground - Ann's Acres	Parks	\$ 35,000.00			\$ 35,000.00
Energy Park	Development		\$ 1,000,000.00		\$ 1,000,000.00
Pickup Truck	Streets	\$ 25,000.00			\$ 25,000.00

OVERALL 2009 TOTAL \$ 628,000.00 \$ 1,193,280.00 \$ 25,000.00 \$ 1,846,280.00

2009 BUDGET
CITY OF MOUNTAIN IRON
DEBT SERVICE FUND

REVENUE	2006 ACTUAL	2007 ACTUAL	2008 BUDGET	2008 YTD	2009 BUDGET
Interest Earnings	\$ 20,644.00	\$ 27,952.00	\$ 5,000.00	\$ 14,603.00	\$ 10,000.00
Special Assessments	\$ 62,032.00	\$ 55,363.00	\$ 15,000.00	\$ 3,657.00	\$ 60,000.00
Electric Fund	\$ 8,450.00	\$ 8,847.00	\$ 9,827.00	\$ 9,827.00	\$ 8,613.00
Water Fund	\$ 18,580.00	\$ 19,509.00	\$ 21,669.00	\$ 21,669.00	\$ 18,939.00
TIF Fund	\$ 120,651.00	\$ 143,728.00	\$ -	\$ -	\$ -
General Fund	\$ 235,000.00	\$ 229,267.00	\$ 311,000.00	\$ 250,221.00	\$ 375,000.00
TOTAL REVENUE	\$ 465,357.00	\$ 484,666.00	\$ 362,496.00	\$ 299,977.00	\$ 472,552.00
EXPENSES					
Principle - Community Center	\$ 40,000.00	\$ 40,000.00	\$ -	\$ -	\$ -
Interest - Community Center	\$ 42,385.00	\$ 20,718.00	\$ -	\$ -	\$ -
Principle - Street Improvement	\$ 70,000.00	\$ 75,000.00	\$ 80,000.00	\$ 80,000.00	\$ 95,000.00
Interest - Street Improvement	\$ 55,775.00	\$ 51,986.00	\$ 50,018.00	\$ 39,581.00	\$ 29,400.00
Principle - Water Revenue	\$ 30,000.00	\$ 30,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00
Interest - Water Revenue	\$ 37,328.00	\$ 36,194.00	\$ 35,063.00	\$ 35,063.00	\$ 33,628.00
Principle - TIF Bonds	\$ 115,000.00	\$ 140,000.00	\$ -	\$ -	\$ -
Interest - TIF Bonds	\$ 7,983.00	\$ 2,865.00	\$ -	\$ -	\$ -
Principle - USDA Loan	\$ -	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Interest - USDA Loan	\$ -	\$ 12,375.00	\$ 12,169.00	\$ 12,169.00	\$ 11,963.00
Principle - 2005 Xover	\$ -	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Interest - 2005 Xover	\$ -	\$ 14,573.00	\$ 29,145.00	\$ 28,598.00	\$ 27,795.00
Principle - Improvement Bonds	\$ -	\$ -	\$ -	\$ -	\$ 65,000.00
Interest - improvement Bonds	\$ -	\$ -	\$ 55,743.00	\$ 55,743.00	\$ 124,510.00
Agent Fees	\$ 863.00	\$ 863.00	\$ 1,000.00	\$ 806.00	\$ 1,000.00
TOTAL EXPENSES	\$ 399,334.00	\$ 429,574.00	\$ 353,138.00	\$ 341,960.00	\$ 478,296.00

2009 BUDGET
CITY OF MOUNTAIN IRON
CHARITABLE GAMBLING

REVENUE	2006		2007		2008		2009	
	ACTUAL		ACTUAL		BUDGET	YTD	BUDGET	
Interest Earnings	\$ 218.00	\$	151.00	\$	200.00	\$ 124.00	\$	200.00
Gambling Proceeds	\$ 2,761.00	\$	1,226.00	\$	2,500.00	\$ 1,362.00	\$	2,500.00
TOTAL REVENUE	\$ 2,979.00	\$	1,377.00	\$	2,700.00	\$ 1,486.00	\$	2,700.00
EXPENSES								
Allowable Expenditures	\$ 2,935.00	\$	3,033.00	\$	2,700.00	\$ 3,552.00	\$	2,700.00
Administration	\$ -	\$	-	\$	-	-	\$	-
TOTAL EXPENSES	\$ 2,935.00	\$	3,033.00	\$	2,700.00	\$ 3,552.00	\$	2,700.00

COUNCIL LETTER 120108-IVC1

BUILDINGS

COMMUNITY CENTER PAINTING

DATE: November 26, 2008
FROM: Don Kleinschmidt
Director of Public Works

Staff is requesting City Council authorization to seek quotes for painting of the Community Center.

COUNCIL LETTER 120108-IVC2

PUBLIC UTILITIES

FLOURESCENT LIGHTS

DATE: November 26, 2008
FROM: Don Kleinschmidt
Director of Public Works

Staff is requesting City Council authorization to purchase compact fluorescent lights from United Electric at their quote of \$18,530.00. This quote includes the following:

2000 each of 13 watt compact fluorescent @ \$2.67 = \$5340.00
2000 each of 27 watt compact fluorescent @ \$3.91 = \$7820.00
1000 each of 14 watt compact fluorescent @ \$5.35 = \$5370.00
TOTAL \$18,530.00

These lights will be used for the light give-a-way program that is needed to meet the requirement of the mandated Conservation Improvement Program.



EESCO®
 UNITED ELECTRIC
 ENGLEWOOD ELECTRICAL SUPPLY®
 A Division of WESCO Distribution, Inc.

EESCO
 5554 Enterprise Dr.
 218-749-2760
 Virginia MN 55792

Quotation

This quotation constitutes an offer to sell which offer expressly limits acceptance to the terms of this offer back of this quotation. This offer shall be firm for a period of fifteen days (15) from the date of this offer. Seller's creditworthiness, the return of this form with a Purchase Order number or any other reasonable means of acceptance will be sufficient to form an agreement on the terms and conditions on the back of this quotation.

To: MOUNTAIN IRON, CITY OF

Date: 11/25/08

8586 ENTERPRISE DR S
 MOUNTAIN IRON MN 557688260

Project Name or Number: DON/QUOTE

Date of Your Inquiry: 11/25/08

When ordering please refer to Quotation Number: 284366

Item	Quantity	Catalog Number and Description	Unit Price	U/M	Total Price	Rate of Cash Discount	Shipping Time (Weeks)
1	1	MP PHIL EL/MDT-13W-900LM-5K 120 V LAM	2.670	E	2.670	0.00	
2	1	EL/MDT-27W 120V MED TWIST LA MP PH	3.910	E	3.910	0.00	
3	1	PHIL EL/A-SWP-14W LAMP	5.370	E	5.370	0.00	

F.O.B. Point of Shipment. The prices stated in this offer shall, unless renewed, automatically expire fifteen days (15) from the date of this offer.

EESCO

Per:

COUNCIL LETTER 120108-IVG1

PARKS & RECREATION

SKATING RINKS

DATE: November 26, 2008

FROM: Parks & Recreation Board

Don Kleinschmidt
Director of Public Works

The Parks & Recreation Board is recommending to the City Council to close the skating rinks in Ann's Acres and Downtown due to low activity. See attached survey of the 2007-2008 season.

**ESTIMATED SYNOPSIS OF SKATING RINK OPERATIONS
FOR 2007-2008 SEASON**

RINKS	TOTAL SKATERS FOR THE SEASON
ANN'S ACRES	6*
DOWNTOWN	54*
SOUTH GROVE	467*
WEST VIRGINIA	87*

GRAND TOTAL # OF SKATERS = 614 SKATERS FOR THE SEASON*

* THESE TOTALS ARE FROM THE RINK REPORTS SUBMITTED. SOME RINK ATTENDANTS DID NOT TURN IN THEIR RINK REPORTS EVERY PAY PERIOD.

ANN'S ACRES, DOWNTOWN, AND WEST VIRGINIA RINKS WERE OPEN ON FRIDAY THROUGH SUNDAY. THESE RINKS CLOSED ON MARCH 1ST. SOUTH GROVE WAS OPEN DAILY. THIS RINK CLOSED ON MARCH 9TH.

ESTIMATED COST OF SEASONAL WORKERS

=	HOURS & WAGES:	SOUTH GROVE - 295 HRS @ \$8.00 = \$2,360.00
		WEST VIRGINIA 105.5 HRS @ \$8.00 = \$ 844.00
		ANN'S ACRES - 96 HRS @ \$8.00 = \$ 768.00
		DOWNTOWN - 121 HRS @ \$8.00 = \$ 968.00
		<u>\$4,940.00</u>
		FICA <u>\$ 377.91</u>
	TOTAL	<u>\$5317.91</u>

CITY WORKER FEE \$11,161.66

THIS AMOUNT DOES NOT INCLUDE OPERATING EXPENSES FOR ALL THE RINKS SUCH AS HEATING, WATER FOR FLOODING THE RINKS, SUPERVISOR FEES, AND BASIC MAINTENANCE.

COUNCIL LETTER 120108-IVH1
STREET COMMITTEE
CARDNIAL STREET EXTENTION

DATE: November 26, 2008

FROM: Street Committee

Craig J. Wainio
City Administrator

The Street Committee is recommending that the City Council authorize Benchmark Engineering to evaluate the condition and use of Cardinal Street as it extends west from Oriole Avenue as well as provide recommendations for possible upgrade.

COUNCIL LETTER 120108-IVH2

STREET COMMITTEE

IDENTIFICATION SIGNAGE

DATE: November 26, 2008

FROM: Street Committee

Craig J. Wainio
City Administrator

The Street Committee is recommending that they City Council authorize Staff to work with MNDOT and St. Louis County to review and recommend possible changes to the signage identifying Mountain Iron city limits as well as other identifications signage.

COUNCIL LETTER 120108-VIA

AUDITOR

AUDIT PROPOSAL

DATE: November 26, 2008

FROM: Craig J. Wainio
City Administrator

Enclosed, please find the Audit proposal from Walker, Giroux and Hahne to perform the 2008 Audit. The proposal price is \$18,400 for the Governmental Funds and \$8,700 for the Enterprise Funds. For the 2007 Audit proposal the Governmental Funds were \$17,500 and the Enterprise funds were \$8,300.



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

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

November 17, 2008

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

Dear Mr. Wainio:

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, 2008. We will audit the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Mountain Iron, Minnesota as of and for the year ended December 31, 2008. Accounting standards generally accepted in the United States provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to accompany City of Mountain Iron, Minnesota's basic financial statements. As part of our engagement, we will apply certain limited procedures to City of Mountain Iron, Minnesota's RSI. These limited procedures will consist principally of inquiries of management regarding the methods of measurement and presentation, which management is responsible for affirming to us in its representation letter. Unless we encounter problems with the presentation of the RSI or with procedures relating to it, we will disclaim an opinion on it. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Schedule of revenues, expenditures and changes in fund balances – budget to actual.

Supplementary information other than RSI also accompanies City of Mountain Iron, Minnesota's basic financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the basic financial statements and will provide an opinion on it in relation to the basic financial statements:

1. Combining and individual fund financial statements.
2. Schedule of sources and uses of public funds for tax increment financing districts.

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic 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 basic financial statements taken as a whole. Our audit will be conducted in accordance with generally accepted auditing standards established by the Auditing Standards Board (United States) 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 opinions. If our opinions on the financial statements are 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 opinions, we may decline to express opinions 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*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of the City Council, management, and the State of Minnesota and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that City of Mountain Iron, Minnesota is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will prepare a draft of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the management representation letter that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them. We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your 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.

Management is responsible for establishing and maintaining internal controls, including monitoring ongoing activities; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Mountain Iron, Minnesota and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. Your responsibilities include 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 (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include 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, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report. 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.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous audits or other engagements or studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits or other engagements or studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions.

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 (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) 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 the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

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 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, funding sources, 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 require certain written representations from you about the financial statements and related matters.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. 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. Our tests, if performed, will be less in scope than would be necessary to render an opinion on 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 significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

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 the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *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 provide copies of our reports to City of Mountain Iron, Minnesota; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Walker, Giroux & 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. Government Accountability 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 & 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.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the governmental agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately December 31, 2008 and to issue our reports no later than June 30, 2009. Gary E. Giroux is the engagement partner and is responsible for supervising the engagement and signing the report. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$18,400.00 for the City's Governmental Funds and \$8,700.00 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 fee is 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 2006 peer review report accompanies this letter.

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.

By: _____

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, PFS JUDD NORDQUIST, CPA

DENISE STONER, CPA
JENNIFER TROAST, CPA
BRYAN SWARTZ, CPA
SHARI BOROWICZ, CPA
NICHELLE MARSHMAN, CPA

November 8, 2006

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, 2006. 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 CPAs (AICPA). The firm is responsible for designing a system of quality control and complying with it to provide the firm reasonable assurance of conforming with professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance with its system of quality control based on our review.

Our review was conducted in accordance with standards established by the Peer Review Board of the AICPA. During our review, we read required representations from the firm, interviewed firm personnel and obtained an understanding of the nature of the firm's accounting and auditing practice, and the design of the firm's system of quality control sufficient to assess the risks implicit in its practice. Based on our assessments, we selected engagements and administrative files to test for conformity with professional standards and compliance with the firm's system of quality control. The engagements selected represented a reasonable cross-section of the firm's accounting and auditing practice with emphasis on higher-risk engagements. The engagements selected included among others, audits of Employee Benefit Plans and engagements performed under Government Auditing Standards. Prior to concluding the review, we reassessed the adequacy of the scope of the peer review procedures and met with firm management to discuss the results of our review. We believe the procedures we performed provide a reasonable basis for our opinion.



The CPA. Never Underestimate The Value.®

33 10TH AVENUE SOUTH SUITE 200 ± PO BOX 507 ± HOPKINS, MINNESOTA 55343-0507

952-935-6868 ± WEBSITE jmm-cpa.com ± FAX 952-935-7940



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. Our review was based on selective tests, therefore, it would not necessarily disclose all weaknesses in the system of quality control or all instances of lack of compliance with it. There are inherent limitations in the effectiveness of any system of quality control and, therefore, noncompliance with the system of quality control may occur and not be detected. 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, 2006, 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.

Jeleneh May McDonald, Ltd.

November 19, 2008

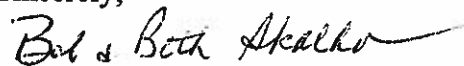
City of Mt. Iron
Craig Wainio
City Administrator
8586 Enterprise Drive South
Mt. Iron, MN 55768

Dear Sir:

We respectfully request a one year extension on the deadline for construction on our lot in Second Unity Addition, Lot 1, Block 1.

Thank you for your consideration.

Sincerely,

A handwritten signature in cursive script that reads "Bob & Beth Skalko". The signature is written in black ink and is positioned below the word "Sincerely,".

Bob and Beth Skalko

EXCERPT OF CITY COUNCIL MEETING OF DECEMBER 1, 2008

It was moved by Councilor _____ and supported by Councilor _____ that the liquor and cigarette license applications for the period January 1, 2009 through December 31, 2009, be approved and issued to the following individuals and business establishments pursuant to the approval, where necessary, of the Liquor Control Commission and pursuant to the payment of all outstanding license fees and utility charges:

Jeff & Greg Properties, Inc. DBA: B. G.'s Saloon 5494 Highway 7 Virginia (Mountain Iron), MN 55792	On-Sale Intoxicating Liquor Sunday On-Sale Intoxicating Liquor Off-Sale Non-Intoxicating Liquor
---	---

Silver Creek Liquor Company, Inc. DBA: Silver Creek Liquor 5489 Highway 7 Virginia (Mountain Iron), MN 55792	Off-Sale Intoxicating Liquor Cigarette
---	---

Commander American Legion Post #220 5748 Mountain Avenue, PO Box 361 Mountain Iron, MN 55768	Club On-Sale Intoxicating Liquor Off-Sale Non-Intoxicating Liquor
---	--

Mac's Bar, Inc. DBA: Mac's Bar 8881 Main Street, PO Box 313 Mountain Iron, MN 55768	Off-Sale Intoxicating Liquor On-Sale Intoxicating Liquor Sunday On-Sale Intoxicating Liquor Cigarette
--	--

F. P. Troutwine, C & B Warehouse Distr. Mountain Iron Short Stop 5537 Nichols Avenue Mountain Iron, MN 55768	Cigarette
---	-----------

Sundberg Enterprises, LLC DBA: Sawmill Saloon & Restaurant 5478 Mountain Iron Drive Virginia (Mountain Iron), MN 55792	Off-Sale Intoxicating Liquor On-Sale Intoxicating Liquor Sunday On-Sale Intoxicating Liquor Cigarette
---	--

Adventures, Virginia, Inc. Greg Hartnett 5475 Mountain Iron Drive Virginia (Mountain Iron), MN 55792	Off-Sale Intoxicating Liquor On-Sale Intoxicating Liquor Sunday On-Sale Intoxicating Liquor
---	---

Walgreen Company 5474 Mountain Iron Drive Virginia (Mountain Iron), MN 55792	Cigarette
--	-----------

May December Endeavors Inc. dba: Country Kitchens 5470 Mountain Iron Drive Virginia (Mountain Iron), MN 55768	On-Sale Non-Intoxicating Off-Sale Non-Intoxicating
--	---

COUNCIL LETTER 120108-VID

ED ROSKOSKI

DOWNTOWN & ANN'S ACRES RINKS

DATE: November 26, 2008

FROM: Ed Roskoski
City Councilor

Craig J. Wainio
City Administrator

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

As was mentioned at a previous Council meeting, the City Council has the final say on all matters of City Government. Many others and I feel these two rinks, as in previous years, should remain open for the winter of 2008-2009.

COUNCIL LETTER 120108-IX

ED ROSKOSKI

ADMINISTRATIVE NEGOTIATIONS

DATE: November 26, 2008

FROM: Ed Roskoski
City Councilor

Craig J. Wainio
City Administrator

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

The Council should go into a closed session to review Administrative negotiations progress.