

**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
MONDAY, DECEMBER 19, 2005 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
- II. Consent Agenda
  - A. Minutes of the December 5, 2005 Regular Meeting (#1-27)
  - B. Minutes of the November 28, 2005 COW Meeting (#28-33)
  - C. Communications (#84-96)
  - D. Receipts
  - E. Bills and Payroll
- III. Public Forum
- IV. Committee and Staff Reports
  - A. Mayor's Report
    - 1. Board Openings (#34)
    - 2. Labor/Management Meeting (#35)
  - B. City Administrator's Report
  - C. Director of Public Works Report
    - 1. Minnesota Power Training (#36-41)
  - D. Director of Parks and Recreation Report
    - 1. South Grove Playground Equipment (#42-46)
  - E. Sheriff's Department Report (#47)
  - F. City Engineer's Report
    - 1. CN Railway Horn Blowing (#48)
  - G. City Attorney's Report
    - 1. P&H Blight and Permit Update (#49)
  - H. Liaison Reports
    - 1. Library Progress Update (#50)
- V. Unfinished Business
  - A. School Land Purchase (#51)
  - B. Early Retirement Agreement (#52)
- VI. New Business
  - A. Resolution Number 43-05 Modifying Development Agreement (#53-58)
  - B. Resolution Number 44-05 Modifying JOB Zone (#59-64)
  - C. Resolution Number 45-05 Approving Grant Application (#65-71)
  - D. Resolution Number 46-05 Approving Grant Application (#72-79)
  - E. WWTP Operators Position (#80)
  - F. CN Train Ruling (#81)
  - G. Reschedule January 2<sup>nd</sup> and January 16<sup>th</sup>, 2006 Meetings (#82)
  - H. Communications (#84-96)
- VII. Open Discussion
  - A. Council and Mayor's Official Position and Powers (#83)
- VIII. Announcements
- IX. Adjourn

# Denotes page number in packet

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
DECEMBER 5, 2005

Mayor Skalko called the City Council meeting to order at 6:32 p.m. with the following members present: Joe Prebeg, Jr., Allen Nelson, Dale Irish, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Larry Nanti, Director of Parks and Recreation; and Rod Flannigan, City Engineer (entering at 8:06 p.m.).

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

1. Add the following item to the agenda:  
IV. A. 3. Library Payment Request Number Four  
VI. G. Move to VII. Open Discussion
2. Approve the minutes of the November 21, 2005, City Council meeting as submitted.
3. That the communications be accepted, placed on file, and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
4. To acknowledge the receipts for the period November 16-30, 2005, totaling \$151,098.77, (a list is attached and made a part of these minutes).
5. To authorize the payments of the bills and payroll for the period November 16-30, 2005, totaling \$354,856.84, (a list is attached and made a part of these minutes).

The motion carried unanimously on a roll call vote.

At 6:35 p.m., it was moved by Nelson and supported by Prebeg to recess the regular meeting and open the public hearing for the truth in taxation. The motion carried.

Rainer Makirinne, 4917 Spirit Lake Road, stated that he has lived at this address for 21 years. Mr. Makirinne asked why his tax statement increased 50%. The Mayor said that the City did not raise the taxes by 50%. The Mayor said that his home may have been reassessed, by law they have to be re-evaluated every four years. The Mayor said that there has been a shift in State funds from the City to the School District.

The Mayor read a statement that was written to the Citizens of Mountain Iron in January 2004. He said that "unless current legislation that passed this year in St. Paul is changed, more and more will be taken away from home owners and property owners. Our State Local Government Aid moneys allotted to Cities in 2005 and 2006 will be even less. And beginning July 1, 2004, and continuing through 2008, the taconite home owners' money we are now receiving will be gradually eliminated and reduced. The result, property taxes, regardless of what is done at the local level will increase."

John Meglen, 8657 Highway 101, stated that his market value went up 12% and his taxes went up 50%.

Robert Thomasson, Mashkenode Lake, stated that the City portion of his taxes went up about 50%.

Richard Matyska, 5495 Coral Lane, stated that his market value went up 15% and his total tax bill went up 19.2% and his City portion of his taxes went up 48%.

At 6:55 p.m., it was moved by Nelson and supported by Prebeg to close the public hearing and reconvene the regular meeting. The motion carried.

During the public forum, Dave Fazio, 5660 Falcon Avenue, was present and asked if the Council was going to act on his request to waive his sump pump fines. The Mayor said that the Council has been advised to not take action on the matter because it is pending litigation. Mr. Fazio made no further comments.

During the Mayor's report, the Mayor updated the Council regarding the meeting held on November 29, 2005 with Canadian National Officials regarding the train whistle blowing (Quiet Zones) and congestion and blockage on Unity Drive. The Mayor said that if a Quiet Zone was established it would have to be a joint effort of the City of Mountain Iron (crossing on Unity Drive); Saint Louis County (crossing on County Road 102) and the City of Virginia (crossing on Southern Drive) The Mayor said that the cost to upgrade the crossings would be \$200,000 to establish the Quiet Zone. The City Administrator said that the City should consider having a supporting brief prepared on the issue due to the court action with the City of Orr.

It was moved by Skalko and supported by Irish to have Resolution Number 40-05, Street Assessment Policy, referred back to the Street and Alley Committee for further study and a recommendation. The motion carried.

It was moved by Skalko and supported by Prebeg to authorize a contribution to the Senior Citizens Club for their New Year's Eve Party in the amount of \$100 with the funds expended from the General Fund. The motion carried unanimously on a roll call vote.

It was moved by Skalko and supported by Irish to authorize payment request number four in the amount of \$53,621.70 to Lenci Enterprises for the Library Improvement Project. The motion carried unanimously on a roll call vote.

Councilor Roskoski questioned the Administrator regarding a check presentation from Rural Development at the Mountain Iron Library at 1:30 p.m. on Thursday, December 8, 2005. The Administrator said that this was scheduled to be completed. The Mayor said that he would be attending the presentation. Councilor Roskoski said that he would also be there.

It was moved by Prebeg and supported by Nelson to change the award of the bid for the one ton cab and chassis from Elk River Ford to Lundgren Motors in the amount of \$25,297.80.

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

It was moved by Prebeg and supported by Skalko to authorize the purchase and installation of one snow plow and dump body for the one ton cab and chassis from Lundgren Motors in the amount of \$13,189.00. The motion carried on the following roll call vote: Prebeg, yes; Nelson, yes; Irish, yes; Roskoski, no; and Skalko, yes.

Councilor Roskoski asked the Director of Public Works when the City would be selling the truck that the City wanted to trade-in on the 2006 One Ton Truck. The Director of Public Works stated that the City could sell it through Lundgren Motors on consignment, call for sealed bids, or sell it at the Saint Louis County Auction.

It was moved by Prebeg and supported by Nelson to adopt the 2006 Enterprise Fund Budgets as present, (a copy is attached and made a part of these minutes) and direct the Utility Advisory Board to develop a plan of action to implement new rates for the water and sewer enterprise funds. The motion carried.

Councilor Roskoski questioned the Director of Public Works regarding how the apartment buildings are charged for utilities. The Director of Public Works stated that the apartment buildings are all metered and charged a commercial rate and the garbage charges are based on the volume generated.

Councilor Irish questioned the Director of Public Works regarding some of the street lights on Eagle Avenue. The Director of Public Works said that there is no longer power in the area he is requesting the street light. The Director of Public Works said that he would bring the street light request back to the Utility Advisory Board for a recommendation.

It was moved by Skalko and supported by Irish to accept the recommendation of the Parks and Recreation Board and hire the following 2005-2006 winter/seasonal workers:

<u>NAME</u>	<u>POSITION</u>
1. Barry Rosier	Day Labor
<u>PRIMARY RINK ATTENDANTS</u>	
2. Anthony Draz	Rink Attendant
3. Samatha LaKosky	Rink Attendant
4. Kathleen O'Malley	Rink Attendant
5. Andy Prebeg	Rink Attendant
6. Joshua Rowe	Rink Attendant
7. Charles Hultunen	Rink Attendant
8. David Niska	Rink Attendant
<u>FILL-IN AS NEEDED (UNDER 16 YEARS OF AGE-HOURS RESTRICTED)</u>	
9. Garrett Niska	Rink Attendant
10. Jonathan Niska	Rink Attendant
11. Edward Niska	Rink Attendant
<u>SUBSTITUTE</u>	
12. Marianne Nanti	Rink Attendant

The motion carried.

It was moved by Prebeg and supported by Skalko to authorize the City to advertise with KRBT (1340 AM) the Mountain Iron boy's and girls' basketball games for the 2005-2006 season at a cost of \$500 for 11 games. The motion carried on the following roll call vote: Nelson, no; Irish, yes; Roskoski, yes; Prebeg, yes; and Skalko, yes.

It was moved by Skalko and supported by Nelson to authorize the Blight Officer to contact the City Attorney and Saint Louis County Sheriff's Department regarding the lot owned by Country Wide Homes in Kinross to check on the legalities as to what the City can do with the site. The motion carried.

The Recreation Director updated the Council regarding the meeting held with the South Grove residents regarding the playground equipment for the South Grove Park. The Recreation Director said that the City would save \$2,000 if the equipment were purchase in 2005. He said that a recommendation would be submitted for the next regular meeting.

The Blight Officer advised the Council that he spoke with the City Attorney and they are developing a plan of action with regard to P & H MinePro.

Councilor Roskoski asked the City Engineer how the area of Spruce Drive, between Aspen Lane and County Road 7, got paid. According to the City Engineer, the Contractor that completed the work never submitted a bill for the project. Councilor Roskoski stated that the area still does not work like it was suppose to.

It was moved by Roskoski and supported by Irish, that to be consistent with what other community members are required to do, that Valvoline Instant Oil Change of Plaza 53 West, be billed the standard \$25 per month for the six winter months, as noted in City Ordinance for Winter sump pump water being disposed of down the City sanitary sewer. The **motion failed** with Councilor Prebeg, Councilor Nelson, and Mayor Skalko voting no.

It was moved by Roskoski and supported by Irish that the following notice be mailed out to all property owners who are on the City list that their property is not in sump pump compliance. With the letter stating something like this, "You may have slab construction under your home or business, thus you may not need or have a sump pump and you may be paying a fee of \$25 per month for something you do not have. Please contact the City of Mountain Iron at 748-7570 to schedule an inspection appointment. If we do not hear from you shortly, we will try and contact you to schedule an appointment." After further discussion, Councilor Roskoski withdrew the motion and Councilor Irish withdrew his support.

It was moved by Skalko and supported by Prebeg to adopt the 2006 budget with the adjustments to Capital Improvements, (a copy of the 2006 budgets is attached and made a part of these minutes). The motion carried with Councilor Irish and Roskoski voting no.

It was moved by Skalko and supported by Nelson to adopt Resolution Number 41-05, approving the 2005 tax levy, collectable in 2006, (a copy is attached and made a part of these minutes). The motion carried with Councilor Irish and Roskoski voting no.

It was moved by Nelson and supported by Prebeg to adopt Resolution Number 42-05, approving 2006 market rate based referendum levy for the general obligation community center bonds and interest, (a copy is attached and made a part of these minutes). The motion carried.

It was moved by Skalko and supported by Prebeg to adopt the 2006 through 2010 Capital Improvement Plan. The motion carried with Councilor Roskoski voting no.

It was moved by Roskoski and supported by Skalko to accept the resignation of Dori Bergman from the Utility Advisory Board and forward her the standard letter of appreciation. The motion carried.

It was the consensus of the Council to place “Advertise for Open Board Positions” on the December 19, 2005, City Council agenda.

It was moved by Nelson and supported by Skalko to allow Councilor Irish and Councilor Roskoski to meet with the City of Virginia to negotiate a better arrangement between the two Cities’s for the funding of the reconstruction of 16<sup>th</sup> Avenue. The motion carried.

The Council questioned the City Engineer regarding the “Quiet Zones” for railroad crossings. The Engineer stated that quad arms would need to be installed or the City could utilize the existing arms and install a concrete median so traffic can not pass through the intersection.

During the open discussion, Councilor Roskoski said that in the November 20<sup>th</sup> Mesabi Daily News there was a story about governor candidates and he noticed that the Mountain Iron Mayor had endorsed one of the candidates. Councilor Roskoski felt that this is inappropriate for a council member to do this, they should only do this as a private person. The Mayor stated this country has a constitution and in that is included the Bill of Rights. The Mayor stated that as an individual, he can endorse anyone he would like to. The Mayor stated that he never said that the City of Mountain Iron endorses any candidate. The Mayor stated that Councilor Irish and Councilor Roskoski were passing out notices to residents of South Grove and Downtown Mountain Iron regarding the proposed logging project and they were doing this as individuals. Councilor Roskoski stated that they distributed this information as Council members.

At 8:42 p.m., it was moved by Nelson and supported by Prebeg that the meeting be adjourned. The motion carried with Councilors Irish and Roskoski voting no.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA  
Municipal Services Secretary

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

## Summary By Category And Distribution

Category	Distribution	Amount
PERMITS	BUILDING	178.00
UTILITY	UTILITY	88,665.96
BUILDING RENTALS	NICHOLS HALL	70.00
BUILDING RENTALS	COMMUNITY CENTER	475.00
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	23,936.65
METER DEPOSITS	ELECTRIC	1,400.00
LICENSES	LIQUOR	1,055.00
LICENSES	CIGARETTE	400.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	550.00
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	1,538.05
INTERGOVERNMENTAL REVENUE	DNR GRANT FOR FIRE DEPT	2,500.00
MISCELLANEOUS	ASSESSMENT SEARCHES	20.00
FINES	CRIMINAL	516.50
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	29,777.61
MISCELLANEOUS	ELECTRICAL INSPEC FORMS	1.00
METER DEPOSITS	WATER	15.00
Summary Totals:		<u>151,098.77</u>

Check Issue Date(s): 11/26/2005 - 12/09/2005

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
12/05	12/06/2005	32551	1209	ANCHOR MEDICAL-DONNA THOMAS	002-20200	100.00
12/05	12/06/2005	32552	140026	AQUILA	002-20200	2,217.50
12/05	12/06/2005	32553	10010	ARROW AUTO	002-20200	103.84
12/05	12/06/2005	32554	5007	ASSURANT EMPLOYEE BENEFITS	002-20200	649.48
12/05	12/06/2005	32555	10042	AUTO VALUE VIRGINIA	002-20200	32.47
12/05	12/06/2005	32556	20014	BORDER STATES ELECTRIC SUPPLY	002-20200	1,201.32
12/05	12/06/2005	32557	1201	BRANDON MUCK	002-20200	198.85
12/05	12/06/2005	32558	20004	BURGHER OFFICE EQUIPMENT	002-20200	91.59
12/05	12/06/2005	32559	30017	CARQUEST (MOUNTAIN IRON)	002-20200	1,319.48
12/05	12/06/2005	32560	220003	CITY OF VIRGINIA	002-20200	114.45
12/05	12/06/2005	32561	30026	COMO LUBE & SUPPLIES INC	002-20200	177.40
12/05	12/06/2005	32562	1211	D M & I R RAILWAY	002-20200	995.98
12/05	12/06/2005	32563	40009	DEPARTMENT OF COMMERCE	002-20200	70.21
12/05	12/06/2005	32564	50027	EAST RANGE FIRE DEPT COALITION	002-20200	25.00
12/05	12/06/2005	32565	60009	FRED FAUST	002-20200	249.74
12/05	12/06/2005	32566	1206	GLORIA SEMON	002-20200	100.00
12/05	12/06/2005	32567	70004	GRANDE ACE HARDWARE	002-20200	856.21
12/05	12/06/2005	32568	70028	GREATER MINNESOTA AGENCY INC	002-20200	180.00
12/05	12/06/2005	32569	70029	GUARDIAN PEST CONTROL INC	002-20200	59.64
12/05	12/06/2005	32570	80005	HIGGINS INDUSTRIAL SUPPLY	002-20200	2,651.51
12/05	12/06/2005	32571	90007	INDUSTRIAL LUBRICANT COMPANY	002-20200	423.74
12/05	12/06/2005	32572	90006	IRON TRAIL MOTORS	002-20200	375.56
12/05	12/06/2005	32573	1212	JEREMY WALDRON	002-20200	477.24
12/05	12/06/2005	32574	1202	JUDITH ANDERSON	002-20200	50.00
12/05	12/06/2005	32575	1207	JUDY GILBERTSON	002-20200	100.00
12/05	12/06/2005	32576	110002	KRBT-AM	002-20200	600.00
12/05	12/06/2005	32577	120013	L & L RENTALS INC	002-20200	201.41
12/05	12/06/2005	32578	120032	LAKE COUNTRY POWER	002-20200	130.00
12/05	12/06/2005	32579	120002	LAWSON PRODUCTS INC	002-20200	762.41
12/05	12/06/2005	32580	120035	LENCI ENTERPRISES INC	002-20200	53,621.70
12/05	12/06/2005	32581	1214	LUNDGREN MOTORS	002-20200	13,189.00
12/05	12/06/2005	32582	120014	LUNDGREN MOTORS	002-20200	25,297.80
12/05	12/06/2005	32583	130030	MACQUEEN EQUIPMENT	002-20200	84.60
12/05	12/06/2005	32584	130004	MESABI DAILY NEWS	002-20200	179.40
12/05	12/06/2005	32585	130006	MESABI HUMANE SOCIETY	002-20200	854.87
12/05	12/06/2005	32586	130093	MESABI RANGE COLLEGE	002-20200	1,767.00
12/05	12/06/2005	32587	130044	MINNESOTA DEPT OF HEALTH	002-20200	1,289.00
12/05	12/06/2005	32588	130009	MINNESOTA POWER	002-20200	48,214.72
12/05	12/06/2005	32589	130013	MOUNTAIN IRON FIREMEN'S RELIEF	002-20200	2,700.00
12/05	12/06/2005	32590	13110	MOUNTAIN IRON SENIOR CITIZENS	002-20200	100.00
12/05	12/06/2005	32591	130037	M-R SIGN	002-20200	160.19
12/05	12/06/2005	32592	140013	NATIONAL WATERWORKS	002-20200	7,459.14
12/05	12/06/2005	32593	140014	NELSON WILLIAMS LININGS INC	002-20200	2,000.00
12/05	12/06/2005	32594	1012	NORTEMP HEATING & COOLING	002-20200	504.35
12/05	12/06/2005	32595	140004	NORTHERN ENGINE & SUPPLY INC	002-20200	109.74
12/05	12/06/2005	32596	150004	OCCUPATIONAL DEVELOPMENT CTR	002-20200	23.43
12/05	12/06/2005	32597	40032	OFFICE OF ENTERPRISE TECHNOLOG	002-20200	394.80
12/05	12/06/2005	32598	150003	OVERHEAD DOOR	002-20200	93.00
12/05	12/06/2005	32599	160003	PERPICH TV & MUSIC INC	002-20200	17.03
12/05	12/06/2005	32600	160023	POHAKI LUMBER	002-20200	165.14
12/05	12/06/2005	32601	1203	REBECCA KETOLA	002-20200	100.00
12/05	12/06/2005	32602	190004	SKUBIC BROS INC	002-20200	70,200.96
12/05	12/06/2005	32603	190012	SOCIETY OF EXPLOSIVE ENGINEERS	002-20200	20.00
12/05	12/06/2005	32604	190006	SPRING CREEK OUTFITTERS INC	002-20200	7.00
12/05	12/06/2005	32605	190024	ST LOUIS CO SHERIFF LITMAN	002-20200	34,166.66
12/05	12/06/2005	32606	190002	ST LOUIS COUNTY AUDITOR	002-20200	17,347.22
12/05	12/06/2005	32607	190016	ST LOUIS COUNTY AUDITOR	002-20200	84.81



Check Issue Date(s): 11/26/2005 - 12/09/2005

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
12/05	12/06/2005	32608	190039	ST LOUIS COUNTY RECORDERS OFFC	002-20200	46.00
12/05	12/06/2005	32609	1208	SUSAN TUOMELA	002-20200	100.00
12/05	12/06/2005	32610	200009	TROPHY SHOP	002-20200	95.53
12/05	12/06/2005	32611	200027	TRUE VALUE HOME CENTER	002-20200	824.12
12/05	12/06/2005	32612	210013	USDA RURAL DEVELOPMENT	002-20200	4,882.19
12/05	12/06/2005	32613	220025	VERIZON WIRELESS, BELLEVUE	002-20200	16.31
12/05	12/06/2005	32614	230028	WISCONSIN ENERGY CONSERVATION	002-20200	181.84
12/05	12/06/2005	32615	240001	XEROX CORPORATION	002-20200	386.80
12/05	12/06/2005	32616	260001	ZIEGLER INC	002-20200	121.39
12/05	12/08/2005	32617	190016	ST LOUIS COUNTY AUDITOR	002-20200	84.81
12/05	12/08/2005	32618	190039	ST LOUIS COUNTY RECORDERS OFFC	002-20200	46.00
Totals:						301,451.58
Payroll-PP Ending 12/2/05						<u>53,405.26</u>
TOTAL EXPENDITURES						<u>\$354,856.84</u>

**2006 (APPROVED) BUDGET SUMMARY  
CITY OF MOUNTAIN IRON**

<b>EXPENDITURES</b>	<b>2005 Budget</b>	<b>2006 Budget</b>	<b>Difference</b>	<b>Percent</b>
Administration	\$ 451,000.00	\$ 476,500.00	\$ 25,500.00	5.7%
Public Safety	\$ 494,300.00	\$ 512,500.00	\$ 18,200.00	3.7%
Public Works	\$ 670,000.00	\$ 705,000.00	\$ 35,000.00	5.2%
Culture and Rec	\$ 343,080.00	\$ 366,000.00	\$ 22,920.00	6.7%
General Government	\$ 687,894.00	\$ 768,250.00	\$ 80,356.00	11.7%
<b>TOTAL</b>	<b>\$ 2,646,274.00</b>	<b>\$ 2,828,250.00</b>	<b>\$ 181,976.00</b>	<b>6.9%</b>

**REVENUE**

Taxes	\$ 113,625.00	\$ 117,504.00	\$ 3,879.00	3.4%
Intergovernmental Aid	\$ 1,388,747.00	\$ 1,536,882.00	\$ 148,135.00	10.7%
General Revenue	\$ 228,500.00	\$ 231,000.00	\$ 2,500.00	1.1%
<b>TOTAL</b>	<b>\$ 1,730,872.00</b>	<b>\$ 1,885,386.00</b>	<b>\$ 154,514.00</b>	<b>8.9%</b>

<b>GENERAL LEVY</b>	\$ 915,402.00	\$ 942,864.00	\$ 27,462.00	3.0%
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**2006 (APPROVED) BUDGET SUMMARY  
CITY OF MOUNTAIN IRON  
REVENUE**

GENERAL REVENUE	2005 Budget	2006 Budget	Difference	Percent
Lic. & Permits	\$ 21,500.00	\$ 21,500.00	\$ -	0.0%
Charges for Service	\$ 28,000.00	\$ 40,000.00	\$ 12,000.00	42.9%
Fines	\$ 9,000.00	\$ 9,500.00	\$ 500.00	5.6%
Interest	\$ 40,000.00	\$ 35,000.00	\$ (5,000.00)	-12.5%
Refunds	\$ 100,000.00	\$ 100,000.00	\$ -	0.0%
General	\$ 30,000.00	\$ 25,000.00	\$ (5,000.00)	-16.7%
Subtotal	\$ 228,500.00	\$ 231,000.00	\$ 2,500.00	1.1%

**INTERGOVERNMENTAL REVENUE**

Local Government Aid	\$ 526,247.00	\$ 623,882.00	\$ 97,635.00	18.6%
Taconite Production Tax	\$ 450,000.00	\$ 500,000.00	\$ 50,000.00	11.1%
Taconite Municipal Aid	\$ 300,000.00	\$ 300,000.00	\$ -	0.0%
Mining Effects Tax	\$ 100,000.00	\$ 100,000.00	\$ -	0.0%
Other	\$ 12,500.00	\$ 13,000.00	\$ 500.00	4.0%
Subtotal	\$ 1,388,747.00	\$ 1,536,882.00	\$ 148,135.00	10.7%

**TAXES**

Tax Levy	\$ 915,402.00	\$ 942,864.00	\$ 27,462.00	3.0%
Market Rate Levy	\$ 83,125.00	\$ 86,504.00	\$ 3,379.00	4.1%
Misc. Taxes	\$ 10,500.00	\$ 11,000.00	\$ 500.00	4.8%
Franchise	\$ 20,000.00	\$ 20,000.00	\$ -	0.0%
Subtotal	\$ 1,029,027.00	\$ 1,060,368.00	\$ 31,341.00	3.0%

**Total**                   **\$ 2,646,274.00**   **\$ 2,828,250.00**   **\$ 181,976.00**   **6.9%**

**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
REVENUE**

TAXES	2003 ACTUAL	2004 ACTUAL	2005 BUDGET	2005 YTD	2006 BUDGET	%
Tax Levy	\$ 814,938.00	\$ 750,026.00	\$ 915,402.00	\$ 610,133.60	\$ 942,864.00	3.0%
Bond Levy	\$ 85,763.00	\$ 87,829.00	\$ 83,125.00	\$ 51,735.32	\$ 86,504.00	4.1%
Misc Taxes	\$ 26,032.00	\$ 42,818.00	\$ 10,500.00	\$ 9,793.27	\$ 11,000.00	4.8%
Franchise	\$ 23,286.00	\$ 22,901.00	\$ 20,000.00	\$ 21,855.07	\$ 20,000.00	0.0%
<b>TOTAL</b>	\$ 950,019.00	\$ 903,574.00	\$ 1,029,027.00	\$ 693,517.26	\$ 1,060,368.00	3.0%

**INTERGOVERNMENTAL REVE**

LGA	\$ 430,584.00	\$ 430,584.00	\$ 526,247.00	\$ 263,123.50	\$ 623,882.00	18.6%
Tac. Prod Aid	\$ 562,748.00	\$ 606,334.00	\$ 450,000.00	\$ 593,515.00	\$ 500,000.00	11.1%
Tac. Aid	\$ 311,221.00	\$ 315,386.00	\$ 300,000.00	\$ 355,561.00	\$ 300,000.00	0.0%
Mining Effects	\$ 109,018.00	\$ 109,405.00	\$ 100,000.00	\$ 115,549.00	\$ 100,000.00	0.0%
Misc. Aid	\$ 45,812.00	\$ 101,907.00	\$ 12,500.00	\$ 42,410.69	\$ 13,000.00	4.0%
<b>TOTAL</b>	\$ 1,459,383.00	\$ 1,563,616.00	\$ 1,388,747.00	\$ 1,370,159.19	\$ 1,536,882.00	10.7%

**GENERAL REVENUE**

Lic. & Permits	\$ 14,863.00	\$ 15,771.00	\$ 21,500.00	\$ 12,766.88	\$ 21,500.00	0.0%
Charges for Service	\$ 196,170.00	\$ 44,260.00	\$ 28,000.00	\$ 50,910.27	\$ 40,000.00	42.9%
Fines	\$ 11,797.00	\$ 9,585.00	\$ 9,000.00	\$ 12,460.87	\$ 9,500.00	5.6%
Interest	\$ 33,715.00	\$ 28,401.00	\$ 40,000.00	\$ 21,909.73	\$ 35,000.00	-12.5%
Refunds	\$ -	\$ 119,226.00	\$ 100,000.00	\$ 73,431.32	\$ 100,000.00	0.0%
General	\$ -	\$ 2,950.00	\$ 30,000.00	\$ -	\$ 25,000.00	-16.7%
<b>TOTAL</b>	\$ 256,545.00	\$ 220,193.00	\$ 228,500.00	\$ 171,479.07	\$ 231,000.00	1.1%

<b>TOTAL</b>	\$ 2,665,947.00	\$ 2,687,383.00	\$ 2,646,274.00	\$ 2,235,155.52	\$ 2,828,250.00	5.2%
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**2006 (APPROVED) BUDGET SUMMARY**  
**CITY OF MOUNTAIN IRON**  
**EXPENDITURES**

DEPARTMENT	2005 Budget	2006 Budget	Difference	Percent
City Council	\$ 13,000.00	\$ 13,500.00	\$ 500.00	3.8%
Administration	\$ 393,000.00	\$ 407,000.00	\$ 14,000.00	3.6%
Election	\$ -	\$ 9,000.00	\$ 9,000.00	100.0%
Assessing	\$ 24,000.00	\$ 26,000.00	\$ 2,000.00	8.3%
Planning & Zoning	\$ 21,000.00	\$ 21,000.00	\$ -	0.0%
Sheriffs	\$ 416,000.00	\$ 427,000.00	\$ 11,000.00	2.6%
Fire Protection	\$ 66,300.00	\$ 67,000.00	\$ 700.00	1.1%
Emergency Management	\$ 1,000.00	\$ 6,000.00	\$ 5,000.00	500.0%
Animal Control	\$ 11,000.00	\$ 12,500.00	\$ 1,500.00	13.6%
Streets	\$ 520,000.00	\$ 550,000.00	\$ 30,000.00	5.8%
Buildings	\$ 150,000.00	\$ 155,000.00	\$ 5,000.00	3.3%
Campground	\$ 42,780.00	\$ 50,500.00	\$ 7,720.00	18.0%
Recreation	\$ 189,600.00	\$ 201,500.00	\$ 11,900.00	6.3%
Government	\$ 158,730.00	\$ 182,220.00	\$ 23,490.00	14.8%
Library	\$ 110,700.00	\$ 114,000.00	\$ 3,300.00	3.0%
Transfers	\$ 529,164.00	\$ 586,030.00	\$ 56,866.00	10.7%
Total	\$ 2,646,274.00	\$ 2,828,250.00	\$ 181,976.00	6.9%

**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
GOVERNMENT OPERATIONS**

CITY COUNCIL	2003	2004	2005	2006	%
	ACUTAL	ACTUAL	BUDGET	BUDGET	
Council Salaries	\$ 19,800.00	\$ 15,667.00	\$ 11,100.00	\$ 9,250.00	0%
Other	\$ -	\$ -	\$ 1,900.00	\$ 15,546.85	26%
<b>TOTAL</b>	\$ 19,800.00	\$ 15,667.00	\$ 13,000.00	\$ 24,796.85	4%

**ADMINISTRATION**

Salaries	\$ 166,842.00	\$ 173,160.00	\$ 170,000.00	\$ 144,542.72	\$ 175,000.00	3%
Payroll Taxes	\$ 22,623.00	\$ 24,645.00	\$ 25,000.00	\$ 19,859.16	\$ 30,000.00	20%
Insurance-Group	\$ 44,602.00	\$ 47,637.00	\$ 48,000.00	\$ 48,126.98	\$ 50,000.00	4%
Insurance-General	\$ 63,397.00	\$ 66,430.00	\$ 50,000.00	\$ 22,012.00	\$ 52,000.00	4%
Independent Audit	\$ 9,900.00	\$ 12,500.00	\$ 12,000.00	\$ 13,000.00	\$ 12,000.00	0%
Engineering Fees	\$ 69,624.00	\$ 45,288.00	\$ 31,000.00	\$ 26,510.47	\$ 31,000.00	0%
Legal Fees	\$ 27,625.00	\$ 37,066.00	\$ 29,000.00	\$ 34,932.69	\$ 29,000.00	0%
Communications	\$ 9,679.00	\$ 11,325.00	\$ 9,000.00	\$ 8,100.59	\$ 9,000.00	0%
Supplies	\$ 4,910.00	\$ 4,667.00	\$ 4,000.00	\$ 3,748.65	\$ 4,000.00	0%
Operations	\$ 52,385.00	\$ 38,908.00	\$ 15,000.00	\$ 21,773.91	\$ 15,000.00	0%
<b>TOTAL</b>	\$ 471,587.00	\$ 461,626.00	\$ 393,000.00	\$ 342,607.17	\$ 407,000.00	4%

**ELECTION**

Salaries	\$ -	\$ 3,088.00	\$ -	\$ -	\$ 5,000.00	100%
Operations	\$ 72.00	\$ 2,322.00	\$ -	\$ 660.00	\$ 4,000.00	100%
<b>TOTAL</b>	\$ 72.00	\$ 5,410.00	\$ -	\$ 660.00	\$ 9,000.00	100%

**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
GOVERNMENT OPERATIONS**

ASSESSING	2003	2004		2005		2006		%
	ACTUAL	YTD	BUDGET	YTD	BUDGET	YTD	BUDGET	
Contract Services	\$ 19,531.00	\$ 26,941.00	\$ 23,000.00	\$ 27,657.00	\$ 25,000.00			9%
Operations	\$ 454.00	-	\$ 1,000.00	\$ 547.29	\$ 1,000.00			0%
<b>TOTAL</b>	<b>\$ 19,985.00</b>	<b>\$ 26,941.00</b>	<b>\$ 24,000.00</b>	<b>\$ 28,204.29</b>	<b>\$ 26,000.00</b>			<b>8%</b>

**PLANNING & ZONING**

Salaries	\$ 12,062.00	\$ 11,899.00	\$ 16,000.00	\$ 6,444.38	\$ 16,000.00			0%
Payroll Taxes	\$ 1,026.00	\$ 1,210.00	\$ 2,000.00	\$ 624.42	\$ 2,000.00			0%
Operations	\$ 1,836.00	\$ 3,149.00	\$ 3,000.00	\$ 1,899.68	\$ 3,000.00			0%
<b>TOTAL</b>	<b>\$ 14,924.00</b>	<b>\$ 16,258.00</b>	<b>\$ 21,000.00</b>	<b>\$ 8,968.48</b>	<b>\$ 21,000.00</b>			<b>0%</b>

**ADMINISTRATION**

<b>TOTAL</b>	<b>\$ 526,368.00</b>	<b>\$ 525,902.00</b>	<b>\$ 451,000.00</b>	<b>\$ 405,236.79</b>	<b>\$ 476,500.00</b>			<b>6%</b>
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**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
PUBLIC SAFETY**

<b>POLICE PROTECTION</b>	2003 ACTUAL	2004 ACTUAL	2005 BUDGET	2005 YTD	2006 BUDGET	%
Contract Services	\$ 427,850.00	\$ 400,000.00	\$ 410,000.00	\$ 341,666.68	\$ 420,000.00	2%
Other Expenditures	\$ 5,332.00	\$ 8,347.00	\$ 6,000.00	\$ 5,733.27	\$ 7,000.00	17%
<b>TOTAL</b>	\$ 433,182.00	\$ 408,347.00	\$ 416,000.00	\$ 347,399.95	\$ 427,000.00	3%

**FIRE PROTECTION**

Salaries	\$ 13,033.00	\$ 12,149.00	\$ 18,000.00	\$ 8,091.14	\$ 18,000.00	0%
Payroll Taxes	\$ 2,261.00	\$ 1,496.00	\$ 500.00	\$ 1,024.60	\$ 1,000.00	100%
Training	\$ 7,155.00	\$ 8,309.00	\$ 11,000.00	\$ 6,259.00	\$ 11,000.00	0%
Maintenance	\$ 6,884.00	\$ 8,806.00	\$ 6,000.00	\$ 9,491.74	\$ 6,200.00	3%
Operations	\$ 10,925.00	\$ 11,709.00	\$ 11,000.00	\$ 12,281.38	\$ 11,000.00	0%
Firemen's Relief	\$ 22,090.00	\$ 25,177.00	\$ 19,800.00	\$ 21,632.00	\$ 19,800.00	0%
<b>TOTAL</b>	\$ 62,348.00	\$ 67,646.00	\$ 66,300.00	\$ 58,779.86	\$ 67,000.00	1%

**EMERGENCY MANAGEMENT**

Plan Update	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	100%
Operations	\$ 25.00	\$ 25.00	\$ 1,000.00	\$ -	\$ 1,000.00	0%
<b>TOTAL</b>	\$ 25.00	\$ 25.00	\$ 1,000.00	\$ -	\$ 6,000.00	500%

**ANIMAL CONTROL**

Contact Services	\$ 10,259.00	\$ 10,258.00	\$ 10,000.00	\$ 7,693.83	\$ 12,000.00	20%
Operations	\$ 274.00	\$ 317.00	\$ 1,000.00	\$ 89.55	\$ 500.00	-50%
<b>TOTAL</b>	\$ 10,533.00	\$ 10,575.00	\$ 11,000.00	\$ 7,783.38	\$ 12,500.00	14%

**PUBLIC SAFETY**

<b>TOTAL</b>	\$ 506,088.00	\$ 486,593.00	\$ 494,300.00	\$ 413,963.19	\$ 512,500.00	4%
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**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
PUBLIC WORKS**

STREETS	2003	2004	2005	2005	2006	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 278,856.00	\$ 307,417.00	\$ 265,000.00	\$ 260,880.00	\$ 280,000.00	6%
Payroll Taxes	\$ 37,494.00	\$ 43,110.00	\$ 45,000.00	\$ 35,571.99	\$ 47,000.00	4%
Insurance-Group	\$ 95,022.00	\$ 91,857.00	\$ 90,000.00	\$ 89,244.17	\$ 94,000.00	4%
Utilities	\$ 47,234.00	\$ 41,229.00	\$ 45,000.00	\$ 32,209.87	\$ 45,000.00	0%
Maintenance	\$ 51,454.00	\$ 71,947.00	\$ 40,000.00	\$ 68,142.93	\$ 45,000.00	13%
Supplies	\$ 21,235.00	\$ 27,622.00	\$ 20,000.00	\$ 16,922.75	\$ 20,000.00	0%
Operations	\$ 8,364.00	\$ 12,028.00	\$ 15,000.00	\$ 20,126.11	\$ 15,000.00	0%
<b>TOTAL</b>	\$ 539,659.00	\$ 595,210.00	\$ 520,000.00	\$ 523,097.82	\$ 550,000.00	6%

**BUILDINGS**

Salaries	\$ 49,613.00	\$ 50,389.00	\$ 56,000.00	\$ 40,910.15	\$ 56,000.00	0%
Payroll Taxes	\$ 6,418.00	\$ 6,670.00	\$ 9,500.00	\$ 5,559.62	\$ 9,500.00	0%
Insurance-Group	\$ 19,360.00	\$ 17,518.00	\$ 15,000.00	\$ 16,524.45	\$ 16,000.00	7%
Utilities	\$ 24,519.00	\$ 32,503.00	\$ 45,000.00	\$ 26,781.08	\$ 45,000.00	0%
Communications	\$ 1,274.00	\$ 1,153.00	\$ 2,000.00	\$ 685.29	\$ 2,000.00	0%
Supplies	\$ 3,505.00	\$ 14,129.00	\$ 9,500.00	\$ 9,472.80	\$ 12,000.00	26%
Operations	\$ 13,931.00	\$ 19,596.00	\$ 13,000.00	\$ 21,143.62	\$ 14,500.00	12%
<b>TOTAL</b>	\$ 118,620.00	\$ 141,958.00	\$ 150,000.00	\$ 121,077.01	\$ 155,000.00	3%

**PUBLIC WORKS**

<b>TOTAL</b>	\$ 658,279.00	\$ 737,168.00	\$ 670,000.00	\$ 644,174.83	\$ 705,000.00	5%
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**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
CULTURE AND RECREATION**

CAMPGROUND	2003	2004	2005	2005	2006	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 15,907.00	\$ 14,856.00	\$ 14,600.00	\$ 18,410.34	\$ 16,000.00	10%
Payroll Taxes	\$ 1,541.00	\$ 1,427.00	\$ 1,530.00	\$ 1,986.85	\$ 1,600.00	5%
Insurance-Group	\$ 1,936.00	\$ 1,453.00	\$ 3,000.00	\$ 4,126.30	\$ 9,000.00	200%
Utilities	\$ 4,164.00	\$ 4,015.00	\$ 7,350.00	\$ 4,220.81	\$ 7,500.00	2%
Operations	\$ 14,460.00	\$ 15,055.00	\$ 14,300.00	\$ 27,470.00	\$ 15,000.00	5%
Advertising	\$ 120.00	\$ -	\$ 2,000.00	\$ 818.87	\$ 1,400.00	-30%
<b>TOTAL</b>	\$ 38,128.00	\$ 36,806.00	\$ 42,780.00	\$ 57,033.17	\$ 50,500.00	18%

**RECREATION DEPARTMENT**

Salaries	\$ 91,525.00	\$ 91,184.00	\$ 105,000.00	\$ 85,979.63	\$ 105,000.00	0%
Payroll Taxes	\$ 11,259.00	\$ 11,997.00	\$ 12,000.00	\$ 10,755.52	\$ 12,000.00	0%
Insurance-Group	\$ 21,284.00	\$ 21,361.00	\$ 20,000.00	\$ 26,537.24	\$ 22,000.00	10%
Utilities	\$ 10,008.00	\$ 9,734.00	\$ 10,300.00	\$ 8,361.05	\$ 10,500.00	2%
Maintenance	\$ 5,247.00	\$ 8,508.00	\$ 6,000.00	\$ 7,066.71	\$ 8,000.00	33%
Operations	\$ 19,246.00	\$ 22,178.00	\$ 21,000.00	\$ 16,208.63	\$ 22,000.00	5%
Baseball/Softball	\$ -	\$ -	\$ 7,000.00	\$ 4,664.18	\$ 7,000.00	0%
ATV Trail Maint	\$ -	\$ -	\$ -	\$ -	\$ 3,000.00	100%
Special Events	\$ 11,674.00	\$ 9,547.00	\$ 8,300.00	\$ 8,254.77	\$ 12,000.00	45%
<b>TOTAL</b>	\$ 170,243.00	\$ 174,509.00	\$ 189,600.00	\$ 167,827.73	\$ 201,500.00	6%

**LIBRARY**

Salaries	\$ 68,884.00	\$ 63,003.00	\$ 67,350.00	\$ 60,841.51	\$ 69,000.00	2%
Payroll Taxes	\$ 8,839.00	\$ 8,405.00	\$ 8,750.00	\$ 7,269.55	\$ 9,000.00	3%
Insurance-Group	\$ 8,017.00	\$ 5,450.00	\$ 6,000.00	\$ 5,317.70	\$ 6,000.00	0%
Utilities	\$ 6,704.00	\$ 6,131.00	\$ 8,400.00	\$ 4,733.21	\$ 8,000.00	-5%
Books	\$ 15,943.00	\$ 10,106.00	\$ 12,500.00	\$ 8,755.37	\$ 14,000.00	12%
Communications	\$ 4,560.00	\$ 5,139.00	\$ 4,900.00	\$ 2,904.97	\$ 5,000.00	2%
Operations	\$ 3,927.00	\$ 5,534.00	\$ 2,800.00	\$ 3,115.65	\$ 3,000.00	7%
<b>TOTAL</b>	\$ 116,874.00	\$ 103,768.00	\$ 110,700.00	\$ 92,937.96	\$ 114,000.00	3%

**CULTURE AND RECREATION**

<b>TOTAL</b>	\$ 325,245.00	\$ 315,083.00	\$ 343,080.00	\$ 317,798.86	\$ 366,000.00	7%
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**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
GENERAL GOVERNMENT**

GENERAL GOVERNMENT	2003	2004	2005	2005	2006	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Cash Short and Over	\$ 3.00	\$ (6.00)	\$ 10.00	\$ (17.50)	\$ 10.00	0%
Cemeteries	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	0%
Retire/Pension Contrib.	\$ 71,223.00	\$ 73,781.00	\$ 80,000.00	\$ 58,746.92	\$ 85,000.00	6%
Public Expense	\$ 16,276.00	\$ 6,097.00	\$ 6,500.00	\$ 49,896.41	\$ 9,990.00	54%
Promotion and Tourism	\$ 1,505.00	\$ 1,685.00	\$ 2,500.00	\$ 1,852.34	\$ 2,500.00	0%
EMT Equipment	\$ 544.00	\$ -	\$ 3,000.00	\$ 290.00	\$ 3,000.00	0%
Intergovernmental Coop	\$ -	\$ 1,078.00	\$ -	\$ 946.55	\$ -	0%
Contribution - QCJRA	\$ 20,664.00	\$ 7,560.00	\$ 6,720.00	\$ 6,720.00	\$ 6,720.00	0%
Comprehensive Plan	\$ -	\$ -	\$ -	\$ -	\$ 10,000.00	0%
Televise Meetings	\$ -	\$ -	\$ -	\$ -	\$ 5,000.00	0%
Contribution - V/MI/GCC	\$ 5,000.00	\$ -	\$ -	\$ -	\$ -	0%
Hydrants	\$ 7,242.00	\$ 380.00	\$ 5,000.00	\$ -	\$ 5,000.00	0%
TCBDA	\$ 42,945.00	\$ 44,281.00	\$ 50,000.00	\$ 36,870.32	\$ 50,000.00	0%
QCEDA	\$ 64,842.00	\$ 25,299.00	\$ -	\$ 22.39	\$ -	0%
VRMC Contribution	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	0%
<b>TOTAL</b>	\$ 235,244.00	\$ 165,155.00	\$ 158,730.00	\$ 160,327.43	\$ 182,220.00	15%

**TRANSFERS**

Capital Improvement	\$ 166,782.00	\$ 136,920.00	\$ 242,164.00	\$ 201,803.30	\$ 301,030.00	24%
Mining Effects	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	0%
Debt Service	\$ 228,170.00	\$ 230,000.00	\$ 237,000.00	\$ 191,666.50	\$ 235,000.00	-1%
<b>TOTAL</b>	\$ 444,952.00	\$ 416,920.00	\$ 529,164.00	\$ 443,469.80	\$ 586,030.00	11%

**GENERAL GOVERNMENT**

<b>TOTAL</b>	\$ 680,196.00	\$ 582,075.00	\$ 687,894.00	\$ 603,797.23	\$ 768,250.00	12%
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**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
DEBT SERVICE FUND**

REVENUE	2003		2004		2005		2006	
	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	YTD	BUDGET
Interest Earnings	\$ 7,053.00	\$ 7,260.43	\$ 2,000.00	\$ 2,000.00	\$ 5,068.00	\$ 4,000.00	\$ 5,068.00	\$ 4,000.00
Special Assessments	\$ 97,226.00	\$ 66,108.00	\$ 16,073.00	\$ 16,073.00	\$ 16,167.00	\$ 15,000.00	\$ 16,167.00	\$ 15,000.00
Electric Fund	\$ 8,106.00	\$ 8,025.00	\$ 8,334.00	\$ 8,334.00	\$ 6,945.00	\$ 8,426.00	\$ 6,945.00	\$ 8,426.00
Water Fund	\$ 17,868.00	\$ 37,996.00	\$ 18,379.00	\$ 18,379.00	\$ 22,261.00	\$ 18,580.00	\$ 22,261.00	\$ 18,580.00
Capital Projects Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TIF Fund	\$ 130,686.00	\$ 47,000.00	\$ 132,400.00	\$ 132,400.00	\$ 130,495.00	\$ 122,983.00	\$ 130,495.00	\$ 122,983.00
General Fund	\$ 228,197.00	\$ 230,000.00	\$ 237,000.00	\$ 237,000.00	\$ 191,667.00	\$ 235,000.00	\$ 191,667.00	\$ 235,000.00
<b>TOTAL REVENUE</b>	\$ 489,136.00	\$ 396,389.43	\$ 414,186.00	\$ 414,186.00	\$ 372,603.00	\$ 403,989.00	\$ 372,603.00	\$ 403,989.00
<b>EXPENSES</b>								
Principle - Community Center	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 35,000.00	\$ 40,000.00	\$ 35,000.00	\$ 40,000.00
Interest - Community Center	\$ 47,360.00	\$ 45,785.00	\$ 44,166.00	\$ 44,166.00	\$ 44,166.00	\$ 42,385.00	\$ 44,166.00	\$ 42,385.00
Principle - Street Improvement	\$ 60,000.00	\$ 60,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,000.00	\$ 70,000.00	\$ 65,000.00	\$ 70,000.00
Interest - Street Improvement	\$ 65,615.00	\$ 62,535.00	\$ 59,253.00	\$ 59,253.00	\$ 53,253.00	\$ 55,775.00	\$ 53,253.00	\$ 55,775.00
Principle - Water Revenue	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 25,000.00	\$ 30,000.00	\$ 25,000.00	\$ 30,000.00
Interest - Water Revenue	\$ 39,440.00	\$ 38,815.00	\$ 38,127.00	\$ 38,127.00	\$ 19,064.00	\$ 37,328.00	\$ 19,064.00	\$ 37,328.00
Principal - TIF Bonds	\$ 113,931.00	\$ 115,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 115,000.00	\$ 120,000.00	\$ 115,000.00
Interest - TIF Bonds	\$ 17,393.00	\$ 16,338.00	\$ 12,375.00	\$ 12,375.00	\$ 12,375.00	\$ 7,983.00	\$ 12,375.00	\$ 7,983.00
Agent Fees	\$ 982.00	\$ 901.00	\$ 1,000.00	\$ 1,000.00	\$ 901.00	\$ 1,000.00	\$ 901.00	\$ 1,000.00
<b>TOTAL EXPENSES</b>	\$ 404,721.00	\$ 399,374.00	\$ 399,921.00	\$ 399,921.00	\$ 374,759.00	\$ 399,471.00	\$ 374,759.00	\$ 399,471.00

**2006 (APPROVED) BUDGET  
CITY OF MOUNTAIN IRON  
CHARITABLE GAMBLING**

REVENUE	2003 ACTUAL	2004 ACTUAL	2005 BUDGET	2005 YTD	2006 BUDGET
Interest Earnings	\$ 110.00	\$ 341.00	\$ 200.00	\$ 128.00	\$ 200.00
Gambling Proceeds	\$ 3,189.00	\$ 3,836.00	\$ 2,500.00	\$ 2,608.00	\$ 2,500.00
Transfer In	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL REVENUE</b>	<b>\$ 3,299.00</b>	<b>\$ 4,177.00</b>	<b>\$ 2,700.00</b>	<b>\$ 2,736.00</b>	<b>\$ 2,700.00</b>
<b>EXPENSES</b>					
Allowable Expenditures	\$ 3,457.00	\$ 4,711.00	\$ 2,700.00	\$ 1,407.00	\$ 2,700.00
Administration	\$ -	\$ -	\$ -	\$ -	\$ -
<b>TOTAL EXPENSES</b>	<b>\$ 3,457.00</b>	<b>\$ 4,711.00</b>	<b>\$ 2,700.00</b>	<b>\$ 1,407.00</b>	<b>\$ 2,700.00</b>

**CITY OF MOUNTAIN IRON  
2006 (APPROVED) BUDGET  
WATER DEPARTMENT**

<b>REVENUES</b>	2003 ACTUAL	2004 ACTUAL	2005 BUDGET	2005 YTD	2006 BUDGET	%
Interest Earnings	\$ 10,484.00	\$ 4,243.00	\$ 3,500.00	\$ 2,666.00	\$ 3,000.00	-14%
Charges for Services	\$ 204,042.00	\$ 230,180.00	\$ 230,332.00	\$ 186,518.00	\$ 242,000.00	5%
<b>TOTAL REVENUES</b>	<b>\$ 214,526.00</b>	<b>\$ 234,423.00</b>	<b>\$ 233,832.00</b>	<b>\$ 189,184.00</b>	<b>\$ 245,000.00</b>	<b>5%</b>

**EXPENDITURES**

Salaries	\$ 67,285.00	\$ 65,834.00	\$ 67,000.00	\$ 50,006.00	\$ 65,000.00	-3%
Employee Benefits	\$ 8,968.00	\$ 21,507.00	\$ 22,100.00	\$ 18,674.00	\$ 22,000.00	0%
Insurance	\$ 17,226.00	\$ 5,771.00	\$ 4,000.00	\$ 3,660.00	\$ 5,000.00	25%
Miscellaneous	\$ 6,146.00	\$ 26,012.00	\$ 21,200.00	\$ 8,884.00	\$ 25,000.00	18%
Repairs and Maintenance	\$ 14,774.00	\$ 39,119.00	\$ 45,000.00	\$ 8,963.00	\$ 45,000.00	0%
Supplies	\$ 7,872.00	\$ 6,885.00	\$ 5,750.00	\$ 5,206.00	\$ 6,000.00	4%
Telephone	\$ 247.00	\$ 289.00	\$ 250.00	\$ 321.00	\$ 350.00	40%
Utilities	\$ 28,469.00	\$ 29,125.00	\$ 25,000.00	\$ 19,585.00	\$ 25,000.00	0%
Depreciation	\$ 78,551.00	\$ 85,864.00	\$ 73,000.00	\$ 60,833.00	\$ 73,000.00	0%
Transfers Out	\$ 17,868.00	\$ 37,996.00	\$ 18,379.00	\$ 22,260.00	\$ 18,580.00	1%
Capital Outlay	\$ -	\$ -	\$ -	\$ 19,019.00	\$ 12,500.00	0%
<b>TOTAL EXPENDITURES</b>	<b>\$ 247,406.00</b>	<b>\$ 318,402.00</b>	<b>\$ 281,679.00</b>	<b>\$ 217,411.00</b>	<b>\$ 297,430.00</b>	<b>6%</b>

**CITY OF MOUNTAIN IRON  
2006 (APPROVED) BUDGET  
WASTE WATER DEPARTMENT**

<b>REVENUES</b>	2003 ACTUAL	2004 ACTUAL	2005 BUDGET	2005 YTD	2006 BUDGET	%
Interest Earnings	\$ 8,935.00	\$ 3,757.00	\$ 3,500.00	\$ 200,818.00	\$ -	-100%
Charges for Services	\$ 184,129.00	\$ 206,975.00	\$ 195,000.00	\$ 1,340.00	\$ 225,000.00	15%
<b>TOTAL REVENUES</b>	\$ 193,064.00	\$ 210,732.00	\$ 198,500.00	\$ 202,158.00	\$ 225,000.00	13%

**EXPENDITURES**

Salaries	\$ 65,168.00	\$ 66,681.00	\$ 67,000.00	\$ 57,710.00	\$ 67,000.00	0%
Employee Benefits	\$ 8,691.00	\$ 24,584.00	\$ 25,000.00	\$ 21,736.00	\$ 25,000.00	0%
Contract Services	\$ 24,366.00	\$ 25,560.00	\$ 26,000.00	\$ 25,844.00	\$ 26,000.00	0%
Insurance	\$ 14,484.00	\$ 3,872.00	\$ 3,000.00	\$ 2,051.00	\$ 3,000.00	0%
Miscellaneous	\$ 12,765.00	\$ 11,896.00	\$ 16,000.00	\$ 30,806.00	\$ 15,000.00	-6%
Maintenance and Repairs	\$ 37,408.00	\$ 7,371.00	\$ 7,500.00	\$ 5,287.00	\$ 7,500.00	0%
Supplies	\$ 13,957.00	\$ 12,970.00	\$ 16,200.00	\$ 11,407.00	\$ 15,000.00	-7%
Telephone	\$ 2,296.00	\$ 2,574.00	\$ 2,500.00	\$ 1,932.00	\$ 25,000.00	900%
Utilities	\$ 51,922.00	\$ 61,727.00	\$ 52,000.00	\$ 45,944.00	\$ 52,000.00	0%
Depreciation	\$ 110,771.00	\$ 112,291.00	\$ 110,000.00	\$ 91,667.00	\$ 113,000.00	3%
Capital Outlay	\$ -	\$ -	\$ -	\$ 29,892.00	\$ 12,500.00	####
<b>TOTAL EXPENDITURES</b>	\$ 341,828.00	\$ 329,526.00	\$ 325,200.00	\$ 324,276.00	\$ 361,000.00	11%

**CITY OF MOUNTAIN IRON  
2006 (APPROVED) BUDGET  
REFUSE AND RECYCLING DEPARTMENT**

<b>REVENUES</b>	2003	2004	2005	2006		
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
					%	
Interest Earnings	\$ 12,340.00	\$ 13,300.00	\$ 12,000.00	\$ 9,365.00	\$ 10,000.00	-17%
Transfers In	\$ -	\$ -	\$ 130,000.00	\$ -	\$ -	
Charges for Services	\$ 343,874.00	\$ 358,289.00	\$ 334,000.00	\$ 279,702.00	\$ 335,000.00	0%
<b>TOTAL REVENUES</b>	<b>\$ 356,214.00</b>	<b>\$ 371,589.00</b>	<b>\$ 476,000.00</b>	<b>\$ 289,067.00</b>	<b>\$ 345,000.00</b>	<b>-28%</b>

**EXPENDITURES**

Salaries	\$ 104,862.00	\$ 105,102.00	\$ 110,000.00	\$ 84,124.00	\$ 105,000.00	-5%
Employee Benefits	\$ 13,822.00	\$ 51,461.00	\$ 52,000.00	\$ 46,493.00	\$ 52,000.00	0%
Insurance	\$ 39,390.00	\$ 7,752.00	\$ 8,000.00	\$ 2,715.00	\$ 8,000.00	0%
Miscellaneous	\$ 10,489.00	\$ 12,539.00	\$ 10,000.00	\$ 11,222.00	\$ 10,000.00	0%
Repairs and Maintenance	\$ 16,569.00	\$ 16,199.00	\$ 14,900.00	\$ 17,492.00	\$ 15,000.00	1%
County Fees	\$ 132,348.00	\$ 138,801.00	\$ 133,000.00	\$ 136,014.00	\$ 135,000.00	2%
Supplies	\$ 14,158.00	\$ 18,009.00	\$ 19,000.00	\$ 17,282.00	\$ 19,000.00	0%
Depreciation	\$ 19,119.00	\$ 19,438.00	\$ 20,000.00	\$ 16,667.00	\$ 20,500.00	3%
Telephone	\$ 537.00	\$ 895.00	\$ 750.00	\$ 510.00	\$ 600.00	-20%
Capital Outlay	\$ -	\$ -	\$ 130,000.00	\$ 3,350.00	\$ -	
<b>TOTAL EXPENDITURES</b>	<b>\$ 351,294.00</b>	<b>\$ 370,196.00</b>	<b>\$ 497,650.00</b>	<b>\$ 335,869.00</b>	<b>\$ 365,100.00</b>	<b>-27%</b>



**CITY OF MOUNTAIN IRON  
2006 (APPROVED) BUDGET  
ELECTRIC DEPARTMENT**

REVENUES	2003	2004	2005	2006	%
	ACTUAL	ACTUAL	BUDGET	BUDGET	
Interest Earnings	\$ 177.00	\$ 529.00	\$ 650.00	\$ 5,000.00	669%
Transfer In	\$ 5,280.00	\$ -	\$ -	\$ -	
Charges for Services	\$ 1,309,903.00	\$ 1,410,612.00	\$ 1,401,364.00	\$ 1,425,000.00	2%
<b>TOTAL REVENUES</b>	<b>\$ 1,315,360.00</b>	<b>\$ 1,411,141.00</b>	<b>\$ 1,402,014.00</b>	<b>\$ 1,430,000.00</b>	<b>2%</b>

**EXPENDITURES**

Cost of Sales	\$ 813,174.00	\$ 859,027.00	\$ 850,000.00	\$ 671,957.00	\$ 875,000.00	3%
Salaries	\$ 209,624.00	\$ 201,457.00	\$ 197,000.00	\$ 150,866.00	\$ 200,000.00	2%
Employee Benefits	\$ 27,971.00	\$ 85,546.00	\$ 88,000.00	\$ 72,904.00	\$ 90,000.00	2%
Insurance	\$ 73,223.00	\$ 15,381.00	\$ 12,000.00	\$ 9,642.00	\$ 15,000.00	25%
Miscellaneous	\$ 18,005.00	\$ 32,344.00	\$ 24,500.00	\$ 20,506.00	\$ 25,000.00	2%
Repairs and Maintenance	\$ 37,584.00	\$ 98,214.00	\$ 30,000.00	\$ 26,950.00	\$ 40,000.00	33%
Supplies	\$ 30,367.00	\$ 27,823.00	\$ 22,000.00	\$ 24,213.00	\$ 25,000.00	14%
Telephone	\$ 2,700.00	\$ 4,571.00	\$ 4,500.00	\$ 3,142.00	\$ 4,500.00	0%
Depreciation Expense	\$ 37,006.00	\$ 37,722.00	\$ 39,000.00	\$ 32,500.00	\$ 40,000.00	3%
Interest Expense	\$ -	\$ -	\$ 750.00	\$ 313.00	\$ 500.00	-33%
Debt Service	\$ 8,103.00	\$ 8,025.00	\$ 8,334.00	\$ 6,945.00	\$ 8,450.00	1%
Capital Outlay	\$ -	\$ -	\$ 30,000.00	\$ 2,922.00	\$ 95,000.00	-100%
<b>TOTAL EXPENDITURES</b>	<b>\$ 1,257,757.00</b>	<b>\$ 1,370,110.00</b>	<b>\$ 1,306,084.00</b>	<b>\$ 1,022,860.00</b>	<b>\$ 1,418,450.00</b>	<b>9%</b>

# CITY OF MOUNTAIN IRON 2006 (APPROVED) CAPITAL IMPROVEMENT BUDGET

2006 Capital Improvement Budget

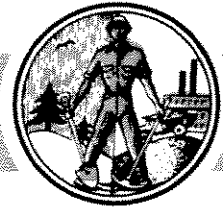
REVENUE	2006
General Fund	\$ 351,030.00
Grants	\$ 359,100.00
Loan	\$ 150,000.00
Enterprise Funds	\$ 190,000.00
Bonding	\$ 300,000.00

**TOTAL \$1,350,130.00**

EXPENDITURE	Department	Projects	Grants	Loans	Bonding	Enterprise	TOTAL
Wetlands Mitigation	Development		\$ 45,000.00				\$ 45,000.00
Street Improvements	Streets						\$ 300,000.00
Library Improvements	Library			\$ 150,000.00	\$ 300,000.00		\$ 150,000.00
Cleanup	Development	\$ 79,700.00	\$ 239,100.00				\$ 318,800.00
Young Machines	Administration		\$ 15,000.00				\$ 15,000.00
South Grove Playground Equipment	Parks	\$ 25,000.00	\$ 20,000.00				\$ 45,000.00
Locomotive Park	Parks	\$ 5,000.00	\$ 20,000.00				\$ 25,000.00
Sheriffs Department Vehicle	Sheriffs	\$ 21,500.00					\$ 21,500.00
Technology Upgrades	Administration	\$ 5,000.00					\$ 5,000.00
Sanding Vehicle	Streets	\$ 85,000.00					\$ 85,000.00
Bucket Truck	Electric					\$ 95,000.00	\$ 95,000.00
Cemetery Building	Buildings	\$ 12,500.00					\$ 12,500.00
Unity Drive Lift Station	WWTP					\$ 10,000.00	\$ 10,000.00
School Land Agreement	Development	\$ 60,000.00					\$ 60,000.00
Crack Filling	Streets	\$ 10,000.00					\$ 10,000.00
X-Mas Decorations	Streets	\$ 10,000.00					\$ 10,000.00
Wolf Park	Parks	\$ 5,000.00					\$ 5,000.00
Slip Lining	WWTP					\$ 20,000.00	\$ 20,000.00
Electric Service	Campground	\$ 20,000.00					\$ 20,000.00
Sidewalk Improvements	Streets	\$ 5,000.00					\$ 5,000.00
Steamer Vac Unit	WTP						\$ 60,000.00
ATV Trail System	Parks	\$ 21,000.00	\$ 20,000.00				\$ 41,000.00
Lift Station Rehab	WWTP					\$ 5,000.00	\$ 5,000.00
Landscaping Community Center	Buildings	\$ 10,000.00					\$ 10,000.00

**OVERALL 2006 TOTAL \$ 374,700.00 \$ 359,100.00 \$ 150,000.00 \$ 300,000.00 \$ 190,000.00 \$1,373,800.00**





# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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

## RESOLUTION NUMBER 42-05

### APPROVING 2006 MARKET RATE BASED REFERENDUM LEVY FOR THE GENERAL OBLIGATION COMMUNITY CENTER BONDS AND INTEREST

**WHEREAS**, in February 1998 the voters in the City of Mountain Iron approved a market rate based referendum levy for bonds and interest to construct the Mountain Iron Community Center.

**NOW, THEREFOR BE IT RESOLVED**, by the City Council of the City of Mountain Iron, County of Saint Louis, Minnesota, that the following market rate based levy shall be made in 2005 payable in 2006 for all property in the City of Mountain Iron:

General Obligation Community Center Bond levy shall be \$86,504.00

The City Administrator is hereby instructed to transmit a certified copy of this resolution to the County Auditor of Saint Louis County, Minnesota.

**DULY ADOPTED BY THE CITY COUNCIL THIS 5<sup>th</sup> DAY OF DECEMBER 2005.**

ATTEST:

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

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

MINUTES  
MOUNTAIN IRON CITY COUNCIL  
COMMITTEE-OF-THE-WHOLE MEETING  
NOVEMBER 28, 2005

Mayor Skalko called the City Council meeting to order at 6:02 p.m. with the following members were present: Allen Nelson, Dale Irish, Joe Prebeg, Jr., Ed Roskoski and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Forseen, Municipal Services Secretary; Larry Nanti, Director of Parks and Recreation; Don Kleinschmidt, Director of Public Works; Wade Rasch, Sheriff Sergeant; Tom Cvar, Fire Chief; and Justin Kochar, Fire Department Training Officer.

The Council discussed the proposed five percent levy increase over last year's levy. Councilor Roskoski said that the City was receiving increases in Local Government Aid and Taconite Aid since last year and he felt the five percent proposed increase was too much and he did not want any increase. The Mayor said that he would agree to a three percent increase in the levy amount. Councilor Nelson stated that he felt a five percent increase was not out of line and only amounts to \$50,000 of the total budget. Councilor Nelson said that the legislature basis the Local Government Aid on how the City levies or not. Councilor Prebeg said that the Council has to look at what the City needs without looking at what the School District, the County, or the State is doing with their funding. Councilor Prebeg said that the City needs to meet the budget needs with increasing insurance costs and approve a five percent increase. Councilor Irish said that he had spoke to Ron Dicklich regarding the effects of Local Government Aid and grants with regard to the amount that the City levies and he was informed that this has nothing to do with the Local Government Aid or grant applications. Councilor Irish said that based on a \$100,000 valuation on a house the Cities portion of the taxes would increase \$75 with a five percent levy increase. Councilor Irish also did not want to increase the levy at all. The Mayor said that the Council would be voting on the levy amount in December.

The City Council reviewed 2006 budget by department, line by line. The following were comments made during the budget review:

REVENUES

TAXES	Franchise Fee	Discussion of taping meetings provided from revenue. (GS) Comment-has money been dedicated to recreation. (ER)
INTER.REV	Taconite Aid Misc. Aids	2005 budget \$300,000, received \$355,561. (JP) Comprises of various aids from the State. (CJW) State Fire Aid-\$13,532 (goes to Fire Dept. Relief Assoc.) St. Louis County-PERA-\$26,614.19 Misc. State Aid-\$2,268.50
GEN. REV.	Chg for Serv.	Admin.-Sale of Land - \$5780.00 Admin.-Fees, Other - \$940.75 Assessing-Searches, Misc. - \$940.00 P & Z-Misc. Income - \$40.00 Fire Department-Sale of Surplus Equip. - \$475.00 Building – Rent, Other - \$7,562.71 Recreation Dept.-Fees, Other - \$5,105.15 Campground – Fees, Misc. - \$30,066.66

EXPENDITURES

COUNCIL	Other	Council specific fees, i.e. legal, engineering, phone (CJW)
ADMIN.	Ins.-Group	Health Insurance (CJW)
	Ins.-General	General Liability Insurance, i.e. buildings, property (CJW)
	Legal Fees	Fees-Admin. specific and all of the criminal costs (CJW)
	Operations	General Exp.-repairs, furniture, computer supplies (CJW)
P&Z	Salaries	Year to date is to October 2005. Plan Review Fees have not been submitted for the entire year. (JMF)
SHERIFF	Other	Phone chges, repairs to vehicles, office supplies, etc. (JMF)
FIRE PRO.	Salaries	Wages are hard to determine with the number of fire calls per year. To date there have been 55 fire calls in 2005. Six were to Virginia for mutual aid structure fires, which is about average per year. (TC) Would like to get a salary increase for the officers. (TC) The City Council requested that the Fire Chief submit a request for salary increase with comparisons to neighboring communities. Will need an increase in the training budget due to the high amount of new firemen starting on the Fire Dept. (TC)

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

FIRE PRO.	Overall	Add additional \$3,000-Fire Dept. budget to \$70,000. (GS) Maintain the same budget and have special training come to the City Council for approval. (JP) Another FEMA grant may be available for turnout gear. Should know about the grant in two weeks. (TC)
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At 6:44 p.m., Councilor Roskoski returned to the meeting.

EMER MGMT	Operations	Making the City NIMS compliant-Fire Dept training in January, 2006. May obtain a copy of an emergency management from the NIMS System and update with City name. (TC)
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ANML CNRL	Overall	Approved of the increase in the contract at a previous Council meeting. (GS)
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STREETS	Overall	Why the 6% increase. (ER) Going by historical figures to calculate 2006 expenses. (DVK)
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BUILDINGS	Overall	Supplies, why the big increase? (DI) The building is being used for little or no rent and the supplies are still being used and need to be replenished. (DVK)
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CAMPGRD	Operations	Operation expenses included \$6,000 for equipment for the Senior Center and Building Insurances-\$2,193. Need to look into increasing the rental fees. (ER) Caretakers-\$8,925; Buhl Water-\$395; Insurance-\$10,930; Phone and other misc. chges also.
PUB EXP	Total	Retriever Club Land-\$25,700; Bon Air Taxes-\$18,631.11; Move Skating Bldg.-\$1,000; Picnic Tables-\$1,331.25; and misc. other exp.

The Council reviewed the 2006 operational budget requests:

The Fire Chief expressed to the Council that he would like to see an apron put in front of the City garage and fire hall. He said that there is a lot of dirt that is hauled in the buildings by the trucks.

It was the consensus of the Council to add \$5,000 to the 2006 budget to update the Emergency Management Plan.

It was the consensus of the Council to add \$5,000 to the 2006 budget to broadcast City Council Meetings.

It was the consensus of the Council to add \$10,000 to the 2006 budget to update the Comprehensive Plan.

Councilor Irish requested that \$3,000 be added to the 2006 budget for maintenance to the ATV Trail. Councilors Prebeg and Nelson said there is no trail currently to maintain, so there is no need to budget for it now and if there is a trail built, the Council can consider the request at a later date.

Councilor Roskoski said that the Merritt Days Committee would like more budgeted for the celebration to use for better entertainment at the Street Dance to draw more people to the event. The Recreation Director said that the Committee was also looking at adding fireworks to the celebration. The Mayor said that he would like to see the celebration continue and grow.

At 7:27 p.m., Councilor Prebeg left the meeting

At 7:28 p.m. Councilor Prebeg returned to the meeting.

The Council reviewed the capital improvements requests.

It was the consensus of the Council to have the City Administrator adjust the budget to a proposed three percent levy increase for the December 5, 2005, City Council meeting. Councilor Irish asked the City Administrator where the funds would be reduced from. The City Administrator said that the adjustment would come out of the capital improvement budget. Councilor Irish stated that he would like to see the adjustment reflected in all of the department budgets.

At 7:41 p.m., Councilor Roskoski left the meeting.

At 7:42 p.m., Councilor Roskoski returned to the meeting.

The Mayor said that the Greenwood Cemetery Association was looking for funding for some capital improvement projects at the cemetery. The Mayor said that Greenwood Cemetery Association was also looking for the same contribution of \$12,500 that was given to the Calvary Cemetery Association in the 2006 budget. Councilor Prebeg felt that the City should not feel obligated to contribute the same amount to the Greenwood Cemetery Association as given to the Calvary Cemetery Association. The Mayor felt that the same contribution should be given to both cemetery associations. Councilor Irish asked who owns the cemeteries. The City Administrator said that the associations own the cemeteries. Councilor Irish said that the City Attorney should review whether it is allowable to even contribute to the Cemetery Associations.

Councilor Irish asked what happens to the carry over projects. The City Administrator said that anything that is not expended in 2005 goes into the reserve funds. Councilor Irish said that he allocated \$21,000 in 2004 that was carried over to 2005 for the ATV Trail, and he would like to carryover the \$21,000 to 2006 and transfer the \$20,000 that was allocated in 2005 for Phase II also to 2006. Councilor Irish wanted to know what procedure he needs to complete to get the \$41,000 from 2004 and 2005 to 2006 for the ATV Trail. Councilor Irish also wanted to allocate an additional \$20,000 in the Parks and Recreation Department budget for the ATV Trail. The Administrator said that this is a capital improvement and would have to go into that fund and not the Park and Recreation Department operational fund. Councilor Irish questioned if the \$3,000 he requested for trail maintenance could go through the Park and Recreation Department Operation fund. The Administrator said that would be appropriate if that is approved by the Council.

The Council discussed the Wetlands Mitigation Grant and when the grant expires.

The Council discussed the 16<sup>th</sup> Avenue Street Improvements. Councilor Roskoski felt that the City should not pursue this project due to the cost of the project. The Mayor felt that this road is basically a Virginia street.

The Council discussed the Library improvements. The Mayor said that the amount allocated is grant and loan funds. The Mayor recommended that the City review the remaining balance of the grants and loan funds to use to complete the project, i.e. carpeting, etc. Councilor Prebeg asked if it is necessary for the City to spend the loan funds or could the City put the remaining balance to pay back the loan. The Mayor said that the Council should review this with a recommendation from the Library Board.

The Council discussed the cleanup funds allocated for development, this was also a match to grant funding.

The Council discussed the proposed agreement with the Mountain Iron-Buhl School District. Councilor Prebeg felt that this may cost about \$60,000 plus in-kind services from the City.

The Council discussed the South Grove playground equipment allocation. The Mayor said that the City has received a grant for \$20,000 towards this project and this project should proceed or the City will lose the grant funding.



The Council discussed the Sheriffs Department vehicle purchase at a budgeted cost of \$21,500.

The Mayor stated that he was meeting with Commissioner Nelson regarding obtaining grant funding for Locomotive Park from the St. Louis County Land Grant in the amount of \$20,000. Councilor Roskoski said that the City would be receiving a TEA21 grant for Locomotive Park. The Mayor said that this funding would not be available until 2007. Councilor Roskoski suggested that the City reserve some funds to match the TEA21 grant in 2006.

The Mayor reviewed the commitment for Christmas decorations in 2006 in the amount of \$10,000. The Director of Public Works thought the City spent about \$7,000 in 2005 on decorations.

The Mayor said that the City Hall office carpeting needs replacing. The Council felt this project could wait for a while.

The Council discussed landscaping around the Community Center. The Mayor said that he would like to include tables for the patio behind the Community Center. Councilor Prebeg felt that the City could put some low maintenance shrubbery around the front of the building and some landscaping around the patio and add picnic tables.

The Council discussed the signage for the Old Town area. Councilor Irish said that he would contact the Minnesota Department of Transportation regarding the signs.

Councilor Irish stated again that he would like to have the Council carry over \$21,000, match to the DNR Grant, from 2004 to 2005 and the \$20,000 2005 to 2006. The City Administrator said that there was no budgeted amount in 2005 for the ATV trail, only the carryover funds from 2004. Council Prebeg stated that they have not seen a plan or a route for the ATV Trail and it is really hard to approve something when you do not know anything about the project.

At 8:14 p.m., Councilor Nelson left the meeting.

At 8:17 p.m., Councilor Nelson returned to the meeting.

The Council discussed the additional Mesabi Trail Signage at a cost of \$2,000. It was the consensus of the Council to change the amount to \$2,000 for historical sights signs for the Mesabi Trail. The Director of Public Works said that the Rail Authority does signage for the trails that would not cost anything to the City. Councilor Roskoski said that if the City waited 5-7 years, then the Rail Authority would complete the signage. Councilor Roskoski said that if the City would contribute up to \$2,000 for the signs the project would be completed in 2006. It was the consensus of the Council to leave the \$2,000 in the 2006 budget.

The Council discussed Councilor Roskoski's request for budget funds for 2006 in the amount of \$15,000 for a double sided entrance sign on County Road 102 and 109. No further discussion took place.

The Council discussed the \$5,000 allocation for the Wolf Park. Councilor Prebeg said that the City Engineer estimated that it would cost approximately \$4,200 for parking lot fence, a gate, and a light for the Wolf Park.

The Council discussed funding for sidewalks for \$10,000. It was the consensus of the Council that the sidewalk on the west side of the football field in Downtown Mountain Iron was not a feasible project.

Councilor Roskoski requested that the City Council to budget \$25,000 for street light improvements. It was the consensus of the Council that there was no funding remaining considering all of the previous budget allocations by the Council.

The Mayor stated that the City should not get involved in funding a private club, the Quad Cities Tennis for All. The Mayor said that if the City were involved with a partial ownership, then a contribution could be considered.

The Council reviewed the 2006 Enterprise Fund budgets. Councilor Nelson felt that all of the Enterprise Funds should be balanced and the rates would need to be increased in the water, wastewater, and refuse funds. Councilor Prebeg said that the Utility Advisory Board would be presenting a recommendation for rate increases. The Council questioned when the last rates increases went into affect. The Director of Public Works said that he would get the information together for the Council to review.

At 8:41 p.m., the Mayor adjourned the meeting.

Respectfully submitted:



Jill M. Forseen, CMC/MMCA  
Municipal Services Secretary

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

**COUNCIL LETTER 121905-IVA1**

**MAYOR SKALKO**

**BOARD VACANCIES**

**DATE:** December 14, 2005

**FROM:** Mayor Gary Skalko

Craig J. Wainio  
City Administrator

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

- Due to a new full time job and other family commitments, Mrs. Jennifer Overbye has resigned from the Parks and Recreation Board. It is recommended that the City Council accept Mrs. Overbye's resignation.
- Due to a new job and family commitments, Mrs. Carol Kostich, whose term expires on December 31, 2005, will not be seeking reappointment to the Library Board.
- It is recommended that the City Council approve advertising for the following board vacancies:
  - Utility Advisory Board – 1 position with a term to expire on December 31, 2006.
  - Parks and Recreation Board – 1 position with a term to expire on December 31, 2007.
  - Library Board – 1 position with a term to expire on December 31, 2008.

**COUNCIL LETTER 121905-IVA2**

**MAYOR SKALKO**

**LABOR/MANAGEMENT MEETING**

**DATE:** December 14, 2005

**FROM:** Mayor Gary Skalko

Craig J. Wainio  
City Administrator

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

Tuesday, January 10<sup>th</sup> as the tentative date for next meeting.

**COUNCIL LETTER 121905-IVC1**

**PUBLIC UTILITIES**

**MINNESOTA POWER  
SAFETY TRAINING**

**DATE:** December 14, 2005

**FROM:** Donald V. Kleinschmidt  
Director of Public Works

Craig J. Wainio  
City Administrator

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Attached, please find the agreement with Minnesota Power to provide safety training services to City employees. This agreement is for two consecutive years, 2006 and 2007, at a total cost of \$5400.00. Costs include personnel training expenses, vehicle mileage, training materials, employee training documentation and bucket truck voltage testing. Safety training funding under this agreement is through the electrical enterprise fund budget.

It is recommended that the City Council approve the two year Minnesota Power training agreement in the amount of \$5400.00.



December 9, 2005

Mr. Don Kleinschmidt, Director  
Mt. Iron Public Works  
P.O. Box 505  
Mt. Iron, Minnesota 55768

**Re: Monthly required Safety Training**

Dear Don:

Looking forward to continuing our partnership in providing Safety, Health and Environmental services to help sustain Mt. Iron Public Works commitment to Safety excellence in 2006.

Our objective is to assist you in providing a learning opportunity at your monthly Safety Meetings as required by OSHA 1910.269 Utility Standard. We want to continue to help Mt. Iron Public Works management and employees meet or exceed OSHA compliance initiatives.

As always Don, your personal genuine demonstration of caring about employee Safety, Health and Environment continues to be the unparalleled bonus in your Leadership role as Director. The Team effort led by Mr. Jerry Claussen fosters your principled Leadership vision.

The enclosed contract is presented for your consideration for the calendar year 2006. Should you determine you would like to contract for two years the advantage would be that we hold the same pricing for year two as indicated.

Thanks for the privilege of allowing us to work with Mt. Iron Public Works employees to enhance your Safety Training.

I extend to you, your family and employees best wishes for a Joyous, Safe, and Healthy 2006.

Think and Act Safely Always,

Bob Nilsson CUSA / OHST

Enclosures  
C: Dale Sundin

## AGREEMENT FOR EDUCATIONAL SERVICES

This Agreement is made this 9th day of December, 2005, by and between Minnesota Power & Light Company, a Minnesota corporation (hereinafter called the "Provider"), and Mountain Iron Public Works, (hereinafter called the "Customer"), such parties hereinafter referred to individually as "Party" or collectively as "Parties."

Witnesseth:

WHEREAS, Provider, through its designated employees, have agreed to provide assistance to its customers in various areas in which Provider is familiar, and

WHEREAS, Customer desires to partake of Provider's assistance in those areas,

NOW, THEREFORE, for and in consideration of the promises and covenants contained herein, the Parties agree as follows:

1. Provider will provide assistance to Customer relating to those areas and limited to those services more particularly described in Exhibit A attached hereto.
2. Services will be rendered for a period of twelve months commencing as of January 19, 2006, and continuing until the service has been fully delivered to Customer.
3. Customer shall be responsible for supplying the location as well as any necessary tools or equipment requested by Provider for the purpose of delivering these services.
4. Provider shall be paid pursuant to the payment schedule attached hereto as Exhibit B. Payment shall be due upon commencement of the services, with any adjustment, in the event services are more expensive or of longer duration than first anticipated, due within 10 days of the completion of the services.
5. It is acknowledged and agreed by Customer that Provider and its employees are only providing a service to Customer and that Provider accepts no responsibility for a Customer's compliance or non-compliance to any law or regulation.
6. It is acknowledged by Customer that laws change periodically and can be interpreted differently by various law enforcement agencies. The information presented to the Customer by Provider will be as accurate and timely as possible; however, it is expressly agreed that Provider makes no affirmative representation as to the applicability of any information to any particular situation nor is Provider to be seen as rendering legal advice.

7. The Customer shall defend, indemnify and hold Provider harmless from any and all claims due to the provision of these services. Further, Customer shall hold Provider and its employees harmless for any omissions and errors committed in the representation of the law or in the representation of any other items or information provided pursuant to this Agreement.
  
8. Customer recognizes and agrees that participants in the services provided under this Agreement shall be employees of the Customer or other related entities, and that Customer will not engage in any commercial activity in relation to the provision of these services.

In witness thereof, the Parties have caused this Agreement to be duly executed by their authorized representatives as of the day and year first written above.

**MINNESOTA POWER & LIGHT COMPANY**

By: Shag Rindal

Its: Manager, Safety and Industrial Hygiene

**CUSTOMER**

By: \_\_\_\_\_

Its: \_\_\_\_\_



**Annual Cost of Services**

One Safety Specialist	60 hours @ \$90.00 / hour
Safety Services and Training Total (24 months)	\$5,400.00

(Total includes: personal expenses, vehicle mileage, training materials, employee safety training documentation, and Bucket Truck Boom Voltage Testing)

**Mt. Iron Public Works**

<b>Thursday</b>	<b>January 19<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>RTK</b>
<b><u>*Wednesday</u></b>	<b><u>February 22<sup>nd</sup></u></b>	<b><u>12:30 p.m.</u></b>	<b><u>LOTO</u></b>
<b>Thursday</b>	<b>March 30<sup>th</sup></b>	<b>12:30</b>	<b>Safety Audits</b>
<b>Thursday</b>	<b>April 27<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>PPE</b>
<b>Thursday</b>	<b>May 18<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>Traffic Control</b>
<b>Thursday</b>	<b>June 29<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>Pole Top Res.</b>
<b>Thursday</b>	<b>July 20<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>Industrial Hyg.</b>
<b>Thursday</b>	<b>August 31<sup>st</sup></b>	<b>12:30 p.m.</b>	<b>Confined Space</b>
<b>Thursday</b>	<b>September 28<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>OSHA update</b>
<b>Thursday</b>	<b>October 26<sup>th</sup></b>	<b>12:30 a.m.</b>	<b>Fire Ext.</b>
<b>Thursday</b>	<b>November 23<sup>rd</sup></b>	<b>12:30 p.m.</b>	<b>Respiratory Protection</b>
<b>Thursday</b>	<b>December 28<sup>th</sup></b>	<b>12:30 p.m.</b>	<b>Fall Protection Holiday Safety</b>

**COUNCIL LETTER 121905-IVD1**

**PARKS & RECREATION BOARD**

**SOUTH GROVE PARK**

**DATE:** December 14, 2005

**FROM:** Parks & Recreation Board

Larry Nanti  
Director of Parks & Recreation

Craig J. Wainio  
City Administrator

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The Parks and Recreation Board has met with the South Grove Park Committee and reviewed the proposed plans and the equipment quote for the South Grove Park playground equipment. The Board recommends that the playground equipment be purchased at the December 19<sup>th</sup> City Council meeting. By purchasing the equipment this in 2005 we will realize a 5% savings versus purchasing it in 2006 plus free shipping. Enclosed, please find the budget and proposal. All equipment will be purchased through the Northeast Service Cooperative's contract with EFA at a 2005 purchase price of \$36,378.15. Funding will be provided as follows, 50% from the St. Louis County Land grant and 50% from the Capital Improvement Fund.

It is recommended that the City Council purchase the proposed South Grove playground equipment in 2005 from EFA through the Northeast Service Cooperative for \$36,378.15.



Earl F. Andersen

December 9, 2005

Mr. Larry Nanti, and Park Committee  
City of Mountain Iron  
8586 Enterprise Drive South  
Mountain Iron, MN 55768

RE: Request for Proposals for Play Equipment

Dear Larry and Committee Members:

In response to your request for proposals, we respectfully submit our proposal for playground equipment and improvements for South Grove Park. Please note the following and our attachments as part of our proposal.

1. Please note the attached proposal for playground equipment and plans. We are proposing using Landscape Structures, Inc., play equipment manufactured in Delano, Minnesota.
2. COOP Purchase: As we did for the Downtown Park last year, this proposal uses the Northeast Service Cooperative Contract between EFA and the COOP for your benefit. The prices are discounted to reflect the contract requirements.
3. 2005 Pricing: The pricing quoted is valid only until December 28, 2005. The manufacturer will be coming out with a new catalog and pricing for 2006. We have been told to expect an approximate 5% increase in pricing in 2006. They will honor the current prices until the end of this year. With an order in December, we can ship the equipment in late February, with an invoice following after delivery. The wood fiber delivery and installation Supervisor can happen in the spring of 2006.
4. Other costs: As we have discussed, other costs associated with this project that would be handled locally (not by us) will be concrete for installation of the play equipment and benches at approximately \$450.00, aggregate base to go under the wood fiber for drainage about \$800.00, and the asphalt overlay over the basketball court that your engineer estimated at \$6,000.00. All of these costs, when added to the pricing in the proposal for equipment, wood fiber and the Installation Supervisor total \$43,628.15.

December 9, 2005

Page 2 of 2

5. Color Selections: Please note inside the back cover of the Landscape Structures playground equipment catalog the fold out page with the color selections available. The various designs throughout the catalog also show numerous combinations of colors. At the time of the order, I will need to know your color selections.

This equipment and the plans will make a great addition to your park. It will provide a fun, challenging, age appropriate, safe playground that will meet the most current ADA standards with the included wood fiber surfacing system. If you have any questions, please call.

Thank you.

Sincerely,

A handwritten signature in black ink that reads "Dave Owen". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Dave Owen  
Sales & Design Consultant  
Registered Landscape Architect

DO  
Attachments



Earl F. Andersen

## PROPOSAL

ENTERED BY: JFR  
 QUOTE NUMBER: 0076046  
 QUOTE DATE: 12/8/2005

## QUOTE TO:

CITY OF MOUNTAIN IRON  
 8586 ENTERPRISE DR. SO.  
 MOUNTAIN IRON, MN 55768

## SHIP TO:

CITY OF MOUNTAIN IRON  
 SOUTH GROVE PARK  
 ATTN: LARRY NANTI  
 MOUNTAIN IRON MN 55768

ATTN: LARRY NANTI 218-748-7570

PHONE: (218) 748-7570

FAX: 218-748-7573

QTY	ITEM NO	DESCRIPTION	PRICE EACH	EXT. PRICE
		SOUTH GROVE PARK PLAYGROUND IMPROVEMENTS PER PLAN #C6698D.		
1.00	PLAYGROUND	PLAYGROUND EQUIPMENT PER PLAN.	24,739.00	24,739.00
		INCLUDES: PLAYSTUCTURE, TODDLER SWING, STAND UP SEESAW, 2 SUPERSCOOPS, MOLDED BUCKET SEAT & CHAINS		
3.00	141683A	72" BENCH WITH BACK, TENDERTUFF OVER STEEL, DIRECT BURY.	300.00	900.00
2.00	141684A	72" TABLE, PORTABLE, TENDERTUFF OVER STEEL.	617.50	1,235.00
2.00	100101A	KISH VALLEY GRILL	294.50	589.00
243.00	EFAWOOD	CU. YDS. EFA WOODFIBER 14" DEPTH (SETTLES TO 9"), DELIVERED PRICE.	19.71	4,789.53
6,200.00	FABRIC	SQ. FT. GEOTEXTILE FILTER FABRIC	0.07	434.00
1.00	INSTALLSUPV	INSTALLATION SUPERVISOR, ESTIMATE 2 DAYS ON SITE, 8 HOURS PER DAY. PRICING BASED ON ACTUAL TIME ON SITE. SEE ATTACHED SCHEDULE.	1,567.00	1,567.00



**Earl F. Andersen**

# PROPOSAL

ENTERED BY: JFR  
 QUOTE NUMBER: 0076046  
 QUOTE DATE: 12/8/2005

**QUOTE TO:**

CITY OF MOUNTAIN IRON  
 8586 ENTERPRISE DR. SO.  
 MOUNTAIN IRON, MN 55768

**SHIP TO:**

CITY OF MOUNTAIN IRON  
 SOUTH GROVE PARK  
 ATTN: LARRY NANTI  
 MOUNTAIN IRON MN 55768

ATTN: LARRY NANTI 218-748-7570  
 PHONE: (218) 748-7570  
 FAX: 218-748-7573

QTY	ITEM NO	DESCRIPTION	PRICE EACH	EXT. PRICE
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EQUIPMENT BY LANDSCAPE STRUCTURES, INC.

\*\* THE NORTHEAST SERVICE COOPERATIVE HAS A CONTRACT WITH EFA.

COOP CONTRACT DISCOUNT OF 5% HAS BEEN APPLIED TO ALL OF THE ABOVE PRICING.

NO SHIPPING COSTS INCLUDED FOR LANDSCAPE STRUCTURES EQUIPMENT.

NOTE: THIS PROPOSAL DOES NOT INCLUDE INSTALLATION.

\*\* PRICING VALID UNTIL DEC. 28, 2005. AFTER THIS DATE 2006 PRICING WILL APPLY (EST. 5% INCREASE).

SUBTOTAL	\$34,253.53
SHIPPING & HANDLING	\$0.00
SALES TAX	\$2,124.62
<b>TOTAL</b>	<b>\$36,378.15</b>

**DISCLAIMER FOR UNKNOWN CONDITIONS:** The following disclaimer applies only when installation is quoted. This quotation is based on the area being free of all debris such as, but not limited to the following: \*concrete footings or blocks of any type. \*Bedrock or rocky conditions of any type. \*Tree stumps, trees, cans, bottles, metal or any other debris. \*Utilities requiring any holes to be dug by hand. \*If area is not accessible to a bobcat and other equipment necessary for installation. \*If water exists in site area or footings after they are dug. \*Or any other unknown conditions not listed or visible.

FOB: FACTORY

Shipment approx. 3-4 weeks upon receipt of order and subject to credit approval.

Do you require a 24-hour delivery notice?  Yes  No

**TERMS: NET 30 DAYS**

Approved by: \_\_\_\_\_  
 CONTRACTOR TO CONFIRM ALL QUANTITIES

Date **46**

Signed by:   
 DAVID OWEN

9701 Penn Ave S, #100 • Bloomington, MN 55431 • Phone: 952-884-7300 • 1-800-862-6026 • Fax: 952-884-5619  
 www.efa-mn.com • e-mail: parkandrecinfo@efa-mn.com OR trafficinfo@efa-mn.com



# Saint Louis County

Office of the Sheriff - 100 North 5th Avenue West, Room 103 • Duluth, Minnesota 55802  
Phone: (218) 726-2337 - Fax: (218) 726-2171

**Ross Litman**  
Sheriff

**TO:** Mt. Iron City Council and Mayor  
**FROM:** Sgt. Wade Rasch  
**RE:** November 2005 Activity Report  
**DATE:** December 19, 2005

The St. Louis County Sheriff's Office in Mt. Iron responded to the following calls for service during the month of November. Deputies also performed 45 traffic stops while issuing 28 citations for traffic or criminal offenses and 25 traffic warnings.

#### Calls For Service:

- 18- On views- Officer initiated contacts checking on persons, vehicles, properties
- 17- Assists to Virginia Sheriff's Patrol
- 16- Public Assists (Civil Standby, Sound of Shots, Animal Complaints, etc.)
- 16- Disturbances (Verbal arguments/Domestic/Unwanted Persons)
- 12- Assists to State Patrol or other Police Departments
- 7- Dishonored Checks/Theft
- 7- Motor Vehicle Crashes
- 6- Assists to Virginia Police Department
- 5- Suspicious Persons/Vehicles
- 5- Medical Assists
- 4- Custodial Arrests
- 4- Alarm Calls
- 2- Welfare Checks Upon Persons
- 1- Assault

14- Other Miscellaneous Calls

Reply to:

47

**Administrative Offices**  
100 N 5th Ave. W, Rm 103  
P.O. Box 16187 Duluth, MN 55816  
Phone: (218) 726-2341  
Fax: (218) 726-2171

**County Jail**  
4334 Haines Road  
Duluth, MN 55811  
Phone: (218) 726-2345  
Fax: (218) 725-6134

**Emergency Management**  
5735 Old Miller Trunk Hwy  
Duluth, MN 55811  
Phone: (218)  
Fax: (218)

**Sheriff's Office**  
300 South 5th Avenue  
Virginia, MN 55792  
Phone: (218) 749-7134  
Fax: (218) 749-7192

**Sheriff's Office**  
1810 12th Ave. E  
Hibbing, MN 55746  
Phone: (218) 262-0132  
Fax: (218) 262-6334



**COUNCIL LETTER 121905-IVF1**

**COUNCILOR ROSKOSKI**

**C & N RAILWAY HORN BLOWING**

**DATE:** December 14, 2005

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

---

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

The Council should authorize Benchmark Engineering to proceed with the 3 crossing study and point tabulation and to collect all necessary information to apply for grants.

**COUNCIL LETTER 121905-IVG1**

**COUNCILOR ROSKOSKI**

**P & H BLIGHT AND PERMIT UPDATE**

**DATE:** December 14, 2005

**FROM:** Councilor Roskoski

Craig J. Wainio  
City Administrator

---

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

The situation is not getting better. The blight activities are still taking place.

**COUNCIL LETTER 121905-IVH1**  
**COUNCILOR ROSKOSKI**  
**LIBRARY PROGRESS UPDATE**

**DATE:** December 14, 2005  
**FROM:** Councilor Roskoski  
Craig J. Wainio  
City Administrator

---

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

A Lenci Enterprises employee stated progress is going very well.

**COUNCIL LETTER 121905-VA**

**MAYOR SKALKO**

**LAND PURCHASE**

**DATE:** December 14, 2005

**FROM:** Mayor Gary Skalko

Craig J. Wainio  
City Administrator

---

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

To purchase the 38 acres west of Unity Addition for the MIB School District for a price of \$60,000.

**COUNCIL LETTER 121905-VB**

**COUNCILOR IRISH**

**EARLY RETIREMENT AGREEMENT**

**DATE:** December 14, 2005

**FROM:** Councilor Irish

Craig J. Wainio  
City Administrator

---

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

Due to inaccurate background information and a misunderstanding of the labor/management agreement the Council needs to rescind their previous decision regarding life time paid health and life insurance for early retirement.

**COUNCIL LETTER 121905-VIA**

**EDA**

**RESOLUTION 43-05**

**DATE:** December 13, 2005

**FROM:** Economic Development Authority

Craig J. Wainio  
City Administrator

---

Resolution Number 43-05 approves an amendment to the Development Agreement between the Mountain Iron EDA, City of Mountain Iron and Mount Timber. This amendment extends the closing date for the land purchase by 30 days to December 30<sup>th</sup>. The EDA approved the amendment at their December 7<sup>th</sup> regular meeting. This extension is required due to the complexity of the abstract that has to be performed.

It is recommended that the City Council adopt Resolution Number 43-05 Approving Amendment to Development Agreement.



# CITY OF MOUNTAIN IRON

"TACONITE CAPITAL OF THE WORLD"

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

## RESOLUTION NUMBER 43-05

### APPROVING AMENDMENT TO DEVELOPMENT AGREEMENT

**BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA, 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 19th DAY OF DECEMBER, 2005.**

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

ATTEST:

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

# MOUNTAIN IRON ECONOMIC DEVELOPMENT AUTHORITY



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## RESOLUTION NUMBER 04-05

### APPROVING AMENDMENT TO DEVELOPMENT AGREEMENT

**BE IT RESOLVED** by the Commissioners of the Mountain Iron Economic Development Authority 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 President and Secretary of the Authority 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 Executive Director and the officers of the Authority may take such other action as may be necessary or expedient to facilitate the execution and effectuation of the Amendment to Development Agreement.

**PASSED AND DULY ADOPTED** by the Commissioners of the Mt. Iron Economic Development Authority, this 7th day of December, 2005.

  
\_\_\_\_\_  
President

ATTEST:

  
\_\_\_\_\_  
Secretary



---

**AMENDMENT TO  
DEVELOPMENT AGREEMENT**

This AMENDMENT TO DEVELOPMENT AGREEMENT is made and entered into to be effective as of November 29, 2005, 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 them hereby covenants and agrees with the other as follows:

1. Article 3.1 of the Development Agreement is hereby amended to state as follows:

Section 3.1 The Development Property. The City or the Authority owns the Development Property 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 30, 2005.

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.

**MT. IRON ECONOMIC DEVELOPMENT  
AUTHORITY**

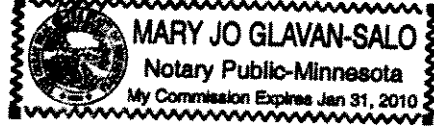
By: Anthony Zupancich  
Its President

By: Mary Jacobsen  
Its Secretary

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

The foregoing instrument was acknowledged before me on the 9<sup>th</sup> day of December, 2005 by Anthony Zupancich and Mary Jacobsen, the President and Secretary, 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.

Mary Jo Glavan-Salo  
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 December, 2005 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 \_\_\_\_\_, 2005 by Joann Birchem, the President of Mountain Timber Properties, LLC on behalf of the company.

\_\_\_\_\_  
Notary Public

**COUNCIL LETTER 121905-VIB**

**EDA**

**RESOLUTION 44-05**

**DATE:** December 13, 2005  
**FROM:** Economic Development Authority  
Craig J. Wainio  
City Administrator

---

Resolution Number 44-05 approves the application to DEED for the transfer of .84 acres from the Enterprise Northeast JOB Zone for the creation of a new zone located north of the UPS Building. The owner of the property, Mr. Lee Altman, has requested the new zone in order to locate a business on the site. XMG International is the proposed business for new zone. Job creation is expected to be 15 jobs over 6 to 12 months.

The creation of this new zone does not guarantee XMG International the benefits under the JOBZ program, it only gives them the ability to approach the City and request the benefits.

At their meeting on December 7, 2005, the EDA recommended to the City Council that the City approve the requested transfer. It is recommended that the City Council adopt Resolution Number 44-05. Upon approval by the City, the request for a transfer will be passed along to the School District, the County and DEED for their approval as required by statute.



# CITY OF MOUNTAIN IRON

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## RESOLUTION NUMBER 44-05

### APPROVING SUB-ZONE MODIFICATIONS AND AUTHORIZING TAX EXEMPTIONS

**WHEREAS**, job creation, business development, and individual wealth growth in Mountain Iron, Minnesota have been less than the national and state averages; and,

**WHEREAS**, the resulting affects of such lagging job creation, business development, and individual wealth growth have harmed and are forecasted to continue to harm the economy of Mountain Iron; and,

**WHEREAS**, the Job Opportunity Building Zone (JOBZ) Program created in Minnesota Session Laws 2003, 1st Special Session, Chapter 21, Article 1 allows for the formation of tax free zones; and,

**WHEREAS**, an application for tax free zone designation in Mountain Iron was approved by the Minnesota Department of Employment and Economic Development via the Arrowhead Regional Development Commission; therefore,

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the Mountain Iron City Council, at its meeting held on 19th day of December, 2005, upon careful consideration and review, the modification of the Enterprise NE Subzone (DEED Number 76) and the creation of a new Subzone as outlined in exhibit in Exhibit A, approves of the use of tax exemptions and tax credits within the designated zones (subject to proper review and approval by the other appropriate taxing authorities within the zones), and encourages the Minnesota Department of Employment and Economic Development to approve the modifications to the Tax Free Sub-zone.

**BE IT FURTHER RESOLVED**, that the City of Mountain Iron agrees to provide all of the local tax exemptions and credits required and provided for under the Job Opportunity Building Zones (JOBZ) Legislation and agrees to forego the tax benefits resulting from the local and state tax exemptions and credits provided under the Job Opportunity Building Zones (JOBZ) Legislation.

**DULY ADOPTED BY THE CITY COUNCIL THIS 19th DAY OF DECEMBER, 2005.**

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

ATTEST:

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

**EXHIBIT A**

**SUB-ZONE ENTERPRISE NE:**

DEED Subzone Number: 76  
Number of Acres to be Removed: .84  
PIN of the acres to be removed: 175-0071-01120  
Map Enclosed

**Parcel where the acreage is to be added:**

Number of acres of the new Subzone: .84  
PIN of the acres to be added: 175-0071-01156  
Legal Description of Acres to be added:

All that part of Government Lot 4 in Section 7 in Township 58 North, Range 17 West, according to the original United States Government Survey thereof made by Frank D. Howe in 1878, described as follows:

Assuming the South boundary line of that part of said Government Lot 4, which lies Westerly of 16th Avenue West (Hoover Road) to have a bearing of South 89° 17' 06" West and starting at the intersection of said South boundary and the centerline of said 16th Avenue West; thence South 89° 17' 06" West along said South boundary for a distance of 33.00 feet to a point; thence North for a distance of 23.00 feet to the point of beginning; said point of beginning being on the Westerly right-of-way line of 16th Avenue West; thence North along said Westerly right-of-way for a distance of 103.22 feet to a point on the right-of-way of State Highway 169; thence West along said State Highway right-of-way for a distance of 37.00 feet to a point; thence North along said State Highway right-of-way for a distance of 160.00 feet to a point; thence West along said State Highway right-of-way for a distance of 108.06 feet to a point; thence South 6° 18' 50" West along said State Highway right-of-way for a distance of 267.01 feet to a point; thence North 89° 17' 06" East for a distance of 174.44 feet to the point of beginning and containing 0.84 acres, more or less, and subject to all existing rights of way and easements.

Map Enclosed

EMPLOYMENT OPPORTUNITIES

ABOUT COMPANY CONTACT INFO IMPORTANT LINKS MESSAGE BOARDS



2005 Copyright XMG International, Inc.

**XMG CONFERENCE**

ONLINE REGISTRATION

**XMG ARTISTS**

**FESTIVAL&EVENTS**

*Festival & Event Info*

**RECORDING**

**MARKETING**

**MANAGEMENT**

**XMG MERCHANDISE**

**About Company**

XMG International, Inc., established in 2003, is a very dynamic international entertainment company. XMG offers artist management and development, international showcases, and state of the art recording.

Founded by Matt W. Rowe and his love for all genres of music, Mr. Rowe wanted to create a company that worked for the struggling artist and give each artist an opportunity to grow in their music career. XMG is dedicated to professionalism, honesty, and integrity by its every day role that it plays in the vast world of the music industry. With a well trained and experienced staff, XMG has grown from a local company to an international company with in the past 2 years.

Building bridges of opportunity through Major Record Companies and Independent Record Companies across the world, XMG has been focused on delivering opportunities to the growing artist. Over the past couple of years, XMG has built an incredible reputation with many of the Hard Rock Cafes throughout the world along with Epic Records of New York, Columbia Records of New York, Atlantic Records of New York, and many other labels.

XMG will continue to pursue success with much integrity and competitiveness in the music industry and treat each artist with respect. Every artist is just that, an artist.

Sincerely,



**Matt Rowe, President of XMG International, Inc.**

**matt@xmgintl.com  
218 - 744 - 3300**

**Advertise Your Company**

Send a request form to XMG

● Privacy Policies ● Refund Policies

2005 Copyright XMG International, Inc. All rights reserved. information@xmgintl.com Phone: 1-877-XMG-INTL (964-4685)

# City of Mountain Iron NorthEast Industrial Park Sub-Zone \_\_\_\_\_

### Total Acres

39.16 Acres

### Property Tax

Currently generating \$0 in property taxes

### Current Use

Vacant Land

### Anticipated Activity

The parcel is zoned Industrial. The City has been successful in recruiting & retaining these types of businesses.

### Infrastructure

Water, wastewater, electric, gas, rail, and telecommunications all available within or adjacent to property.

### Deteriorated or Underutilized

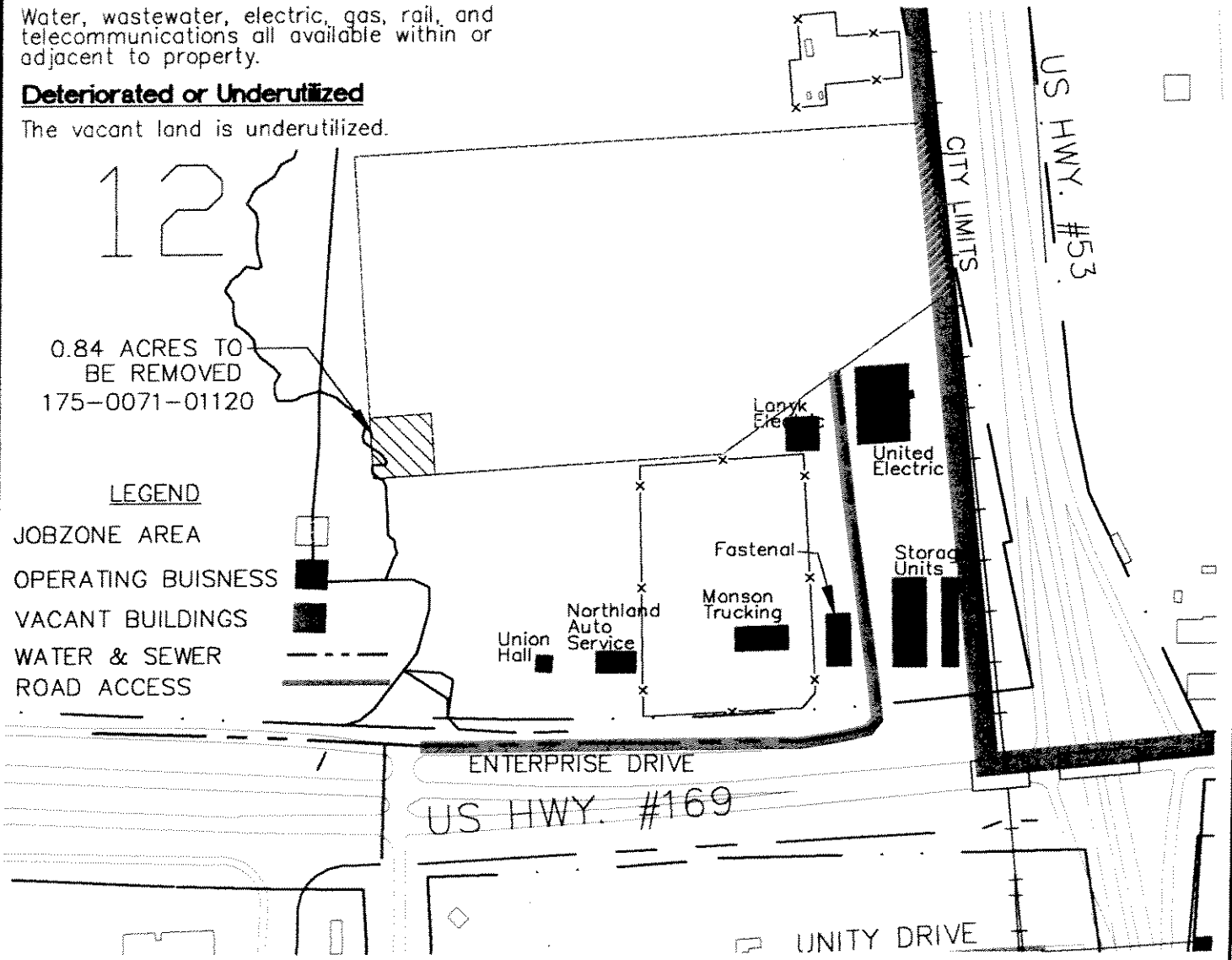
The vacant land is underutilized.

### Underdeveloped or Non-performing

No physical characteristics to prevent the land from being developed.

### Marketing Plan

The City of Mountain Iron has an HRA and is a member of the Quad Cities Economic Development Authority. The City has had success in developing similar parcels through regional and local recruitment efforts in the past.





# City of Mountain Iron NorthEast Industrial Park Sub-Zone \_\_\_\_\_

**Total Acres**

0.84 Acres

**Property Tax**

Currently generating \$730.02 in property taxes

**Current Use**

Vacant Land

**Anticipated Activity**

The parcel is zoned commercial. The City has been successful in recruiting & retaining these types of businesses.

**Infrastructure**

Water, wastewater, electric, gas, and telecommunications all available adjacent to and east of the parcel.

**Deteriorated or Underutilized**

The vacant land is underutilized.

**Underdeveloped or Non-performing**

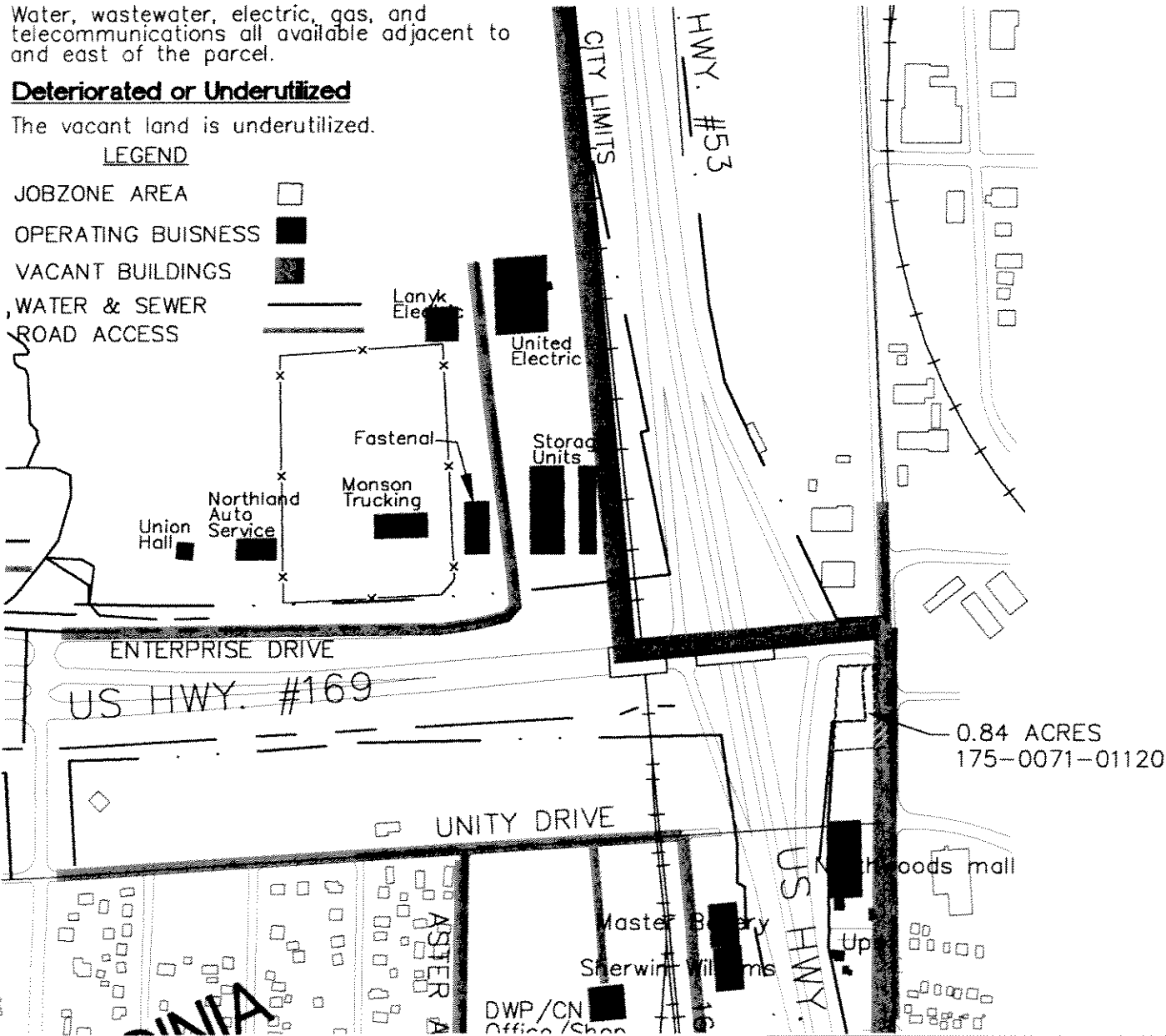
No physical characteristics to prevent the land from being developed.

**Marketing Plan**

The City of Mountain Iron has an HRA and is a member of the Quad Cities Economic Development Authority. The City has had success in developing similar parcels through regional and local recruitment efforts in the past.

**LEGEND**

- JOBZONE AREA
- OPERATING BUSINESS
- VACANT BUILDINGS
- WATER & SEWER
- ROAD ACCESS



**COUNCIL LETTER 121905-VIC**

**ADMINISTRATION**

**RESOLUTION NUMBER 45-05**

**DATE:** December 13, 2005

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

---

Resolution Number 45-05 Authorizes the Submission of a grant application for Enhancement funding. This grant application is for the proposed trail linking the High School to the Merritt Elementary School. The application is also enclosed for your review. If approved the funding would be available in 2009 to 2010.

It is recommended that the City Council adopt Resolution Number 45-05.



# 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 45-05

### GUARANTEEING LOCAL SHARE OF CONSTRUCTION COSTS AND ONGOING MAINTENANCE

**WHEREAS**, the City of Mountain Iron recognizes the Mountain Iron – Buhl High School to Merritt Elementary School Trail project as an important transportation facility; and,

**WHEREAS**, the City of Mountain Iron desires to undertake the Mountain Iron – Buhl High School to Merritt Elementary School Trail; and,

**WHEREAS**, 80 percent development grants are available for eligible projects; and,

**WHEREAS**, the applicant must guarantee the 20 percent local match to the enhancement grant; and,

**WHEREAS**, the Federal Highway Administration (FHWA) requires that states agree to operate and maintain facilities constructed with federal transportation enhancement funds for the useful life of the improvement.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron acknowledges full well that such an application for enhancement funds for the City of Mountain Iron's Mountain Iron – Buhl High School to Merritt Elementary School Trail project includes a willingness to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City Administrator is hereby authorized to act as agent on behalf of this applicant.

**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned transportation enhancement project.

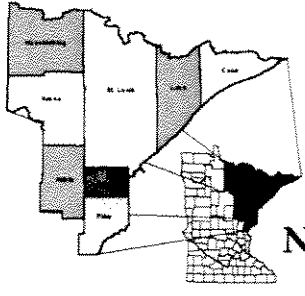
**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron, through city and private contributions, guarantees the local match for the Mountain Iron – Buhl High School to Merritt Elementary School Trail project.

**DULY ADOPTED BY THE CITY COUNCIL THIS 19<sup>th</sup> DAY OF DECEMBER, 2005.**

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


ATTEST:

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

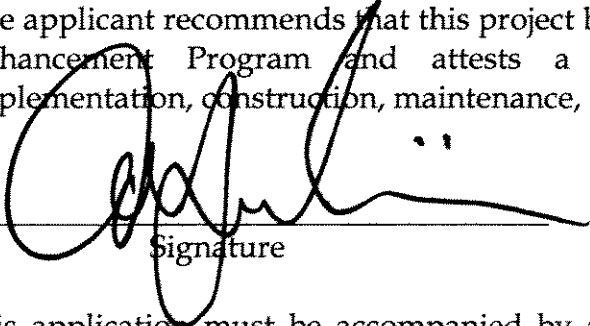


**Transportation Enhancement Program**  
**Northeast Minnesota Area Transportation Partnership**  
**Application for Funds FY 2009**

Only completed applications will be accepted.

<b>Section 1 - Application Information</b>			
Applicant's Agency/Organization - Must indicate one of the following:			
<input type="checkbox"/> State Agency <input checked="" type="checkbox"/> Municipal/County Govt. <input type="checkbox"/> MPO <input type="checkbox"/> Quasi Governmental <input type="checkbox"/> Tribal <input type="checkbox"/> Other			
Applicant's Agency/ Organization Name: City of Mountain Iron			
Contact Person: Craig J. Wainio	Title: City Administrator		
Daytime Phone: 218-748-7570	Fax #: 218-742-9931		
E- Mail Address: cwainio@ci.mountain-iron.mn.us			
Mailing Address: 8586 Enterprise Drive South			
City: Mountain Iron	State: Minnesota	Zip: 55768	
Sponsoring Agency: Saint Louis County			

The applicant recommends that this project be selected for funding through the Transportation Enhancement Program and attests a commitment to the project's development, implementation, construction, maintenance, management, and financing.

  
 \_\_\_\_\_  
 Signature

City Administrator  
 Title

December 13, 2005  
 Date

This application must be accompanied by a letter from the appropriate sponsoring agency showing a willingness to provide at least a 20% matching funds. The sponsor will also be responsible for future maintenance of the completed project.

## Section 2 - Eligibility Criteria



Eligible Category - Check (✓) all that apply:

- X Facilities for pedestrians or bicycles
- Safety and educational activities for pedestrians and bicyclists
- Acquisition of scenic easement and scenic or historic sites
- Scenic or historic highway programs
- Landscaping or other scenic beautification
- Historic Preservation
- Rehabilitation and operation of historic transportation buildings, structures or facilities
- Preservation of abandoned railway corridors
- Control and removal of outdoor advertising
- Archaeological planning and research
- Environmental mitigation of pollution due to highway runoff or reduce vehicle caused wildlife mortality
- Establishment of transportation museums

## Section 3 - Project Information



Project Description - Attach additional sheets if necessary including plans, maps, etc:

- a. Project name: Mountain Iron - Buhl High School to Merritt Elementary School Trail.
- b. Project location/termini - please be specific and include a location map and/or photos:  
The project will begin at the Mountain Iron - Buhl High School, located in old town Mountain Iron, and then proceed south along County Road 102 under Highway 169 to the South Grove neighborhood; from there it will go east along the Unity Drive corridor to the Merritt Elementary School. The approximate length of the trail is 2 miles.
- c. Detailed description of proposed activities: The proposed activities include the construction of a 12 foot paved biking and pedestrian trail along the corridor outlined in item b. above. This trail will be constructed on City owned land or other public

existing roads, the efficiency and safety of the current surface transportation system will be increased.

- j. Identify and approximate the number of customers served by the project: A general estimate would be 3,000 users.
- k. Describe environmental and/or economic impacts or benefits: There are not any environmental impact anticipated through the construction and use of this project.
- l. Does the municipality have a comprehensive or surface transportation plan?  
If yes, check all that apply:
- Yes    No    In Process
  - Adopted by local governing body
  - Includes goals or policies related to this application (please attach appropriate excerpts)
- m. Please explain the 20 year maintenance plan for the project. The project will be maintained by the City of Mountain Iron through its annual crack sealing program. Currently the City of Mountain Iron has the equipment required to keep the trail free of debris.
- n. Briefly explain the implementation for the project: Begin construction date: April 2010, End construction date: November 2010. Plans to be completed in November 2009 with bidding taking place in February 2010.  
Will this work be done as part of another project? No.  
List other partners/participants: None.

## Section 4 - Budget Information



Please submit an engineer's cost estimate, if available, or complete this section.

- a. Total project cost \$327,160.00
- b. Transportation Enhancement funds requested \$261,728.00
- c. Local Match (minimum 20% of total cost) 20% \$ 65,432.00
- d. Fully describe the local match: The local match will be funded through the Capital Improvement Fund of the City of Mountain Iron.
- e. Detailed Budget: See attached

## Section 5 - Submittal Information



Please mail twelve copies of this application along with a letter of commitment from the sponsoring agency to:

**ARDC**  
**Attn: Bryan Anderson**  
**221 W 1<sup>st</sup> Street**  
**Duluth, MN 55802**

**PLEASE NOTE: All twelve copies must be unbound and 3-hole punched.**



ENGINEER'S ESTIMATE OF QUANTITIES AND OPINION OF COST  
 CONSTRUCTION OF RECREATIONAL TRAIL SPUR  
 FIRST SEGMENT: MOUNTAIN IRON BUHL HIGH SCHOOL TO MERRITT ELEMENTARY SCHOOL  
 CITY OF MOUNTAIN IRON, MINNESOTA  
 JOB NO.: MH05-29

SPEC. NO.	ITEM	UNITS	ITEM COST	2009 Enhancement	
				QUANTITY	SEGMENT I TOTAL COST
2101.511	CLEARING AND GRUBBING	ACRE	\$3,000.00	4.0	\$12,000.00
2104.501	MISCELLANEOUS REMOVALS	LUMP SUM	\$15,000.00	1.0	\$15,000.00
2105.501	COMMON EXCAVATION	CU. YD.	\$8.00	15,000.0	\$120,000.00
2105.535	SALVAGED TOPSOIL (CV)	CU. YD.	\$6.00	2,500.0	\$15,000.00
2211.503	AGGREGATE BASE (CV) CL. 5	CU. YD.	\$16.00	1,880.0	\$30,080.00
2350.609	TYPE I.V. 4 WEARING COURSE MIXTURE (B)	TON	\$44.00	2,020.0	\$88,880.00
2501.511	18" C.P. PIPE CULVERT	LIN. FT.	\$35.00	180.0	\$6,300.00
2501.511	36" C.P. PIPE CULVERT	LIN. FT.	\$55.00	60.0	\$3,300.00
2501.515	18" G.S. PIPE APRON	EACH	\$300.00	12.0	\$3,600.00
2501.515	36" G.S. PIPE APRON	EACH	\$500.00	4.0	\$2,000.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$10,000.00	1.0	\$10,000.00
2564.531	F & I SIGN PANEL TYPE C	SQ. FT.	\$70.00	150.0	\$10,500.00
2564.603	8" SOLID LINE WHITE - EPOXY	LIN. FT.	\$2.00	250.0	\$500.00
2575.555	TURF ESTABLISHMENT	ACRE	\$2,500.00	4.0	\$10,000.00
<b>TOTAL:</b>					<b>\$327,160.00</b>

NOTES:

1. NO CONTINGENCY OR INFLATION COSTS HAVE BEEN INCLUDED.
2. DESIGN & CONSTRUCTION ENGINEERING COSTS ARE NOT INCLUDED.

*Kevin E. Falls*  
 BENCHMARK ENGINEERING, INC.



**COUNCIL LETTER 121905-VID**

**ADMINISTRATION**

**RESOLUTION NUMBER 46-05**

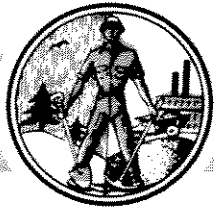
**DATE:** December 13, 2005

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

---

Resolution Number 46-05 Authorizes the Submission of a grant application for Enhancement funding. This grant application is for the proposed trail linking the Merritt Elementary School to the Mesabi Family YMCA. The application is also enclosed for your review. If approved the funding would be available in 2010 to 2011.

It is recommended that the City Council adopt Resolution Number 46-05.



# CITY OF MOUNTAIN IRON

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

## RESOLUTION NUMBER 46-05

### GUARANTEEING LOCAL SHARE OF CONSTRUCTION COSTS AND ONGOING MAINTENANCE

**WHEREAS**, the City of Mountain Iron recognizes the Merritt Elementary School to Mesabi Family YMCA Trail project as an important transportation facility; and,

**WHEREAS**, the City of Mountain Iron desires to undertake the Merritt Elementary School to Mesabi Family YMCA Trail; and,

**WHEREAS**, 80 percent development grants are available for eligible projects; and,

**WHEREAS**, the applicant must guarantee the 20 percent local match to the enhancement grant; and,

**WHEREAS**, the Federal Highway Administration (FHWA) requires that states agree to operate and maintain facilities constructed with federal transportation enhancement funds for the useful life of the improvement.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron acknowledges full well that such an application for enhancement funds for the City of Mountain Iron's Merritt Elementary School to Mesabi Family YMCA Trail project includes a willingness to secure and guarantee the local share of costs associated with this project and responsibility for seeing this project through to its completion, with compliance of all applicable laws, rules and regulations.

**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City Administrator is hereby authorized to act as agent on behalf of this applicant.

**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned transportation enhancement project.

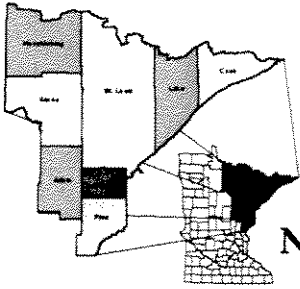
**BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF MOUNTAIN IRON, MINNESOTA**, that the City of Mountain Iron, through city and private contributions, guarantees the local match for the Merritt Elementary School to Mesabi Family YMCA Trail project.

**DULY ADOPTED BY THE CITY COUNCIL THIS 19<sup>th</sup> DAY OF DECEMBER, 2005.**

ATTEST:

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

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

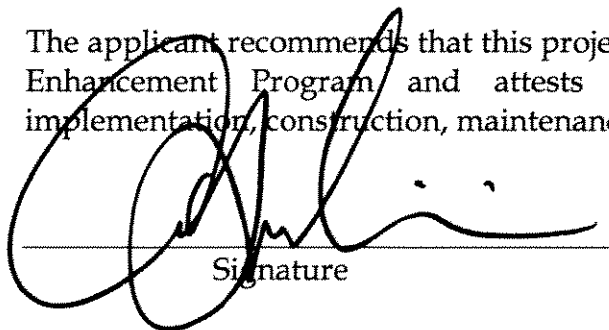


**Transportation Enhancement Program**  
**Northeast Minnesota Area Transportation Partnership**  
**Application for Funds FY 2010**

Only completed applications will be accepted.

Applicant's Agency/Organization - Must indicate one of the following:		
<input type="checkbox"/> State Agency <input checked="" type="checkbox"/> Municipal/County Govt. <input type="checkbox"/> MPO <input type="checkbox"/> Quasi Governmental <input type="checkbox"/> Tribal <input type="checkbox"/> Other		
Applicant's Agency/ Organization Name: City of Mountain Iron		
Contact Person: Craig J. Wainio	Title: City Administrator	
Daytime Phone: 218-748-7570	Fax #: 218-742-9931	
E- Mail Address: cwainio@ci.mountain-iron.mn.us		
Mailing Address: 8586 Enterprise Drive South		
City: Mountain Iron	State: Minnesota	Zip: 55768
Sponsoring Agency: Saint Louis County		

The applicant recommends that this project be selected for funding through the Transportation Enhancement Program and attests a commitment to the project's development, implementation, construction, maintenance, management, and financing.



\_\_\_\_\_  
Signature

City Administrator  
Title

December 13, 2005  
Date

This application must be accompanied by a letter from the appropriate sponsoring agency showing a willingness to provide at least a 20% matching funds. The sponsor will also be responsible for future maintenance of the completed project.

**Eligible Category - Check (✓) all that apply:**

- X Facilities for pedestrians or bicycles
- Safety and educational activities for pedestrians and bicyclists
- Acquisition of scenic easement and scenic or historic sites
- Scenic or historic highway programs
- Landscaping or other scenic beautification
- Historic Preservation
- Rehabilitation and operation of historic transportation buildings, structures or facilities
- Preservation of abandoned railway corridors
- Control and removal of outdoor advertising
- Archaeological planning and research
- Environmental mitigation of pollution due to highway runoff or reduce vehicle caused wildlife mortality
- Establishment of transportation museums

**Project Description - Attach additional sheets if necessary including plans, maps, etc:**

- a. Project name: Merritt Elementary School to Mesabi Family YMCA Trail.
- b. Project location/termini - please be specific and include a location map and/or photos:  
The trail will begin at the Merritt Elementary School and go east through Unity Addition, Lamberts Addition, the Enterprise Zone, West Virginia area and terminate at the Mesabi Family YMCA. Total length is approximately 1.25 miles.
- c. Detailed description of proposed activities: The proposed activities include the construction of a 12 foot paved biking and pedestrian trail along the corridor outlined in item b. above. This trail will run on City owned land or other public easements or right-of-ways, no land acquisition is anticipated. The project in not anticipated to impact any wetlands. As outlined here, the project will not be a part of any routine

construction project. Through the construction of this project the ability of pedestrians and bicyclist to move from one portion of the community to another will be greatly enhanced. This trail provides a distinct starting point and ending point and will move pedestrian and bicycle traffic from current roadways.

**For bicycle and/or pedestrian projects, please complete (d) through (f) All others go to (g).**

- d. Describe why this project is important to your community and how it will improve existing conditions for bicycling or walking from a safety perspective or in terms of providing greater access. This project is vital in improving the ability and safety of pedestrians and bicyclist alike by removing the pedestrians and bicyclists from using Highway 169 and City Street shoulders for access between the Merritt Elementary School, the various neighborhoods and the Mesabi Family YMCA. The Mesabi Family YMCA offers after school and summer youth programs, access to these programs will be made safer through the construction of this trail.
- e. Describe the main users of the project by type or classification (e.g. commuters, school children, recreational users, elderly, disabled, etc.). Also mention the major origins or destinations that will be connected or served by the project. The major users will be school children and residents of Mountain Iron that need access between the Merritt Elementary School and the Mesabi Family YMCA and the various neighborhoods of the City.
- f. Is there traditional ATV use along this planned trail route? If yes, what measures will be in place to keep ATV users off of the planned trail? No.
- g. Describe any current and/or previous uses of the project area: The current use of the project area is vacant land and/or right-of-way or easements.
- h. Please explain current and future ownership of the property. The land is currently and will be owned by the City of Mountain Iron or is part of County/City Right-of-Way and/or City easements.

- i. Explain the project's benefit and relationship to surface transportation: The project will provide a bicycle and pedestrian transportation corridor between the Merritt Elementary School, the Mesabi Family YMCA and various neighborhoods of the City. With keeping the pedestrian and bicycle traffic off existing roads, the efficiency and safety of the current surface transportation system will be increased.
- j. Identify and approximate the number of customers served by the project: A general estimate would be 3,000 users.
- k. Describe environmental and/or economic impacts or benefits: There are not any environmental impact anticipated through the construction and use of this project.
- l. Does the municipality have a comprehensive or surface transportation plan?  
If yes, check all that apply:
  - Yes    No    In Process
  - Adopted by local governing body
  - Includes goals or policies related to this application (please attach appropriate excerpts)
- m. Please explain the 20 year maintenance plan for the project. The project will be maintained by the City of Mountain Iron through its annual crack sealing program. Currently the City of Mountain Iron has the equipment required to keep the trail free of debris.
- n. Briefly explain the implementation for the project: Begin construction date: April 2011, End construction date: November 2011. Plans to be completed in November 2010 with bidding taking place in February 2011.  
Will this work be done as part of another project? No.  
List other partners/participants: None.

Please submit an engineer's cost estimate, if available, or complete this section.

- a. Total project cost \$264,880.00
- b. Transportation Enhancement funds requested \$211,904.00
- c. Local Match (minimum 20% of total cost) 20% \$ 52,976.00
- d. Fully describe the local match: The local match will be funded through the Capital Improvement Fund of the City of Mountain Iron.
- e. Detailed Budget: See attached

Please mail twelve copies of this application along with a letter of commitment from the sponsoring agency to:

**ARDC  
Attn: Bryan Anderson  
221 W 1<sup>st</sup> Street  
Duluth, MN 55802**

**PLEASE NOTE: All twelve copies must be unbound and 3-hole punched.**



ENGINEER'S ESTIMATE OF QUANTITIES AND OPINION OF COST  
 CONSTRUCTION OF RECREATIONAL TRAIL SPUR  
 SECOND SEGMENT: MERRITT ELEMENTARY SCHOOL TO YMCA  
 CITY OF MOUNTAIN IRON, MINNESOTA  
 JOB NO.: MI05-29

SPEC. NO.	ITEM	UNITS	ITEM COST	2010 Enhancement	
				SEGMENT 2 QUANTITY	TOTAL COST
2101.511	CLEARING AND GRUBBING	ACRE	\$3,000.00	2.0	\$6,000.00
2104.501	MISCELLANEOUS REMOVALS	LUMP SUM	\$25,000.00	1.0	\$25,000.00
2105.501	COMMON EXCAVATION	CU. YD.	\$8.00	9,900.0	\$79,200.00
2105.523	COMMON BORROW	CU. YD.	\$10.00	2,500.0	\$25,000.00
2105.535	SALVAGED TOPSOIL (CV)	CU. YD.	\$6.00	1,750.0	\$10,500.00
2211.503	AGGREGATE BASE (CV) CL. 5	CU. YD.	\$16.00	1,315.0	\$21,040.00
2350.609	TYPE LV 4 WEARING COURSE MIXTURE (B)	TON	\$44.00	1,410.0	\$62,040.00
2501.511	18" C.P. PIPE CULVERT	LIN. FT.	\$35.00	60.0	\$2,100.00
2501.511	36" C.P. PIPE CULVERT	LIN. FT.	\$55.00	60.0	\$3,300.00
2501.515	18" G.S. PIPE APRON	EACH	\$300.00	4.0	\$1,200.00
2501.515	36" G.S. PIPE APRON	EACH	\$500.00	4.0	\$2,000.00
2563.601	TRAFFIC CONTROL	LUMP SUM	\$15,000.00	1.0	\$15,000.00
2564.531	F & I SIGN PANEL TYPE C	SQ. FT.	\$70.00	100.0	\$7,000.00
2564.603	8" SOLID LINE WHITE - EPOXY	LIN. FT.	\$2.00	250.0	\$500.00
2575.555	TURF ESTABLISHMENT	ACRE	\$2,500.00	2.0	\$5,000.00

**TOTAL: \$264,880.00**

- NOTES:  
 1. NO CONTINGENCY OR INFLATION COSTS HAVE BEEN INCLUDED.  
 2. DESIGN & CONSTRUCTION ENGINEERING COSTS ARE NOT INCLUDED.

*[Signature]*  
 BENCHMARK ENGINEERING, INC.



**COUNCIL LETTER 121905-VIE**  
**PUBLIC UTILITIES**  
**WATER/WASTEWATER**  
**TREATMENT PLANT OPERATOR**

**DATE:** December 14, 2005

**FROM:** Donald V. Kleinschmidt  
Director of Public Works

Craig J. Wainio  
City Administrator

---

The internal posting for the Water/Wastewater Treatment Plant Operator has expired. There were no internal applications received for this position.

Staff is requesting City Council authorization to work with the Personnel Committee to develop the hiring criteria, advertise externally for the water/wastewater treatment plant operator and make a hiring recommendation back to the City Council.

**COUNCIL LETTER 121905-VF**

**COUNCILOR IRISH**

**CN TRAIN RULING**

**DATE:** December 14, 2005

**FROM:** Councilor Irish

Craig J. Wainio  
City Administrator

---

Councilor Irish requested this item be place on the agenda with the following background information:

During discussion at our last meeting, City Staff recommended sending a letter of support in favor of overturning a speed zone through Orr. I believe that the City Council should support the slow down ruling or remain neutral at this time.

Staff Note: Staff never recommended sending a letter to anyone, staff informed the Council of the potential situation that my occur and to think about the possibility of having the City Attorney write a brief in support of CN to protect the health, safety and welfare of the citizens of Mountain Iron. The speed restrictions in Orr will cause a backup of traffic in Mountain Iron which can become a health, safety and welfare issue for the citizens of Mountain Iron. (CJW)

**COUNCIL LETTER 121905-VIG**  
**ADMINISTRATION**  
**RESCHEDULE MEETINGS**

**DATE:** December 13, 2005  
**FROM:** Craig J. Wainio  
City Administrator

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Due to January 2<sup>nd</sup> (New Years Day) and January 16<sup>th</sup> (Martin Luther King Day) being legal holidays, the City Council will need to reschedule the City Council meetings set for those days.

**COUNCIL LETTER 121905-VIIA**

**COUNCILOR IRISH**

**POWERS AND POSITION**

**DATE:** December 14, 2005

**FROM:** Councilor Irish

Craig J. Wainio  
City Administrator

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

With our attorney present I am requesting a brief explanation on what a Councilor or Mayor can do legally with reference to using their title or position in public.

COMMUNICATIONS  
DECEMBER 19, 2005

1. Mountain Iron-Buhl High School, requesting a donation to the 19<sup>th</sup> Annual All-Night Chemical Free Graduation Party for the Class of 2006.
2. Kathleen Murray, Foundation Director, a thank you on behalf of the VRMC Foundation and the Festival of Trees Committee, for reducing the room rental fee for the use of the Community Center.
3. John Roskoski, a copy of a letter dated December 4, 2005 written to Mayor Skalko.
4. John Roskoski, a copy of a letter dated December 8, 2005 written to Mayor Skalko.
5. Coalition of Greater Minnesota Cities, forwarding the December 8, 2005 Brief.
6. Minnesota Association of Small Cities, forwarding the December 12, 2005 update.
7. Range Association of Municipalities and Schools, looking for interested elected officials to be considered for a board position.
8. Range Association of Municipalities and Schools, notice of the annual meeting scheduled for February 3, 2006 in Hibbing.

# **MOUNTAIN IRON-BUHL HIGH SCHOOL**



## **CLASS OF 2006**

DECEMBER 11, 2005

Dear Businessperson/ Area Organization:

As parents of the Mountain Iron-Buhl Class of 2006, we will be honoring our graduating seniors with...

### **THE 19<sup>TH</sup> ANNUAL ALL-NIGHT CHEMICAL FREE GRADUATION PARTY**

The great success which we have achieved in the past has been made possible by your contribution. We again extend this invitation for you to participate in a rewarding project. This provides our graduates with an alternative choice of celebration...

#### **“A CHEMICAL FREE GRADUATION PARTY”**

If you wish to make a tax deductible donation in the form of merchandise, gift certificate, or cash-please contact someone on our donation committee listed below. Cash donations are used to purchase decorations, games, entertainment, and prizes.

Through your donation, we all take part in the prevention of tragedies. It is truly an investment in the graduates' futures.

Thank you for helping us make this a safe and memorable night for our graduates, your generosity will be greatly appreciated!

#### ***THE MIB CLASS OF 2006 APPRECIATES YOUR SUPPORT!***

Rochelle Engman  
5445 Mineral Avenue  
Mountain Iron, MN 55768  
218-735-8576

Joan Bond  
5429 Daisy Avenue  
Virginia, MN 55792  
218-741-4820

Please make checks payable to MIB High School Grad Party



December 8, 2005

Mayor Gary Skalko  
Mt. Iron, City of  
8586 Enterprise Dr. So.  
Mt. Iron MN 55768

Dear Mayor:

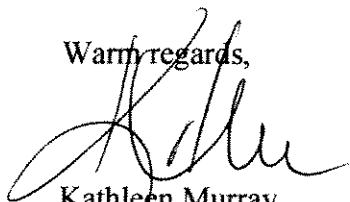
On behalf of the VRMC Foundation and the Festival of Trees committee, we want to thank you for your generous donation of reduced room fee for use of the community center. Your support of this event means so much to the committee and those we work to help. This year's event was a huge success raising more than \$41,000 and breaking attendance records at each event.

This year's funding will go towards the hospice program at Virginia Regional Medical Center. We have partnered with SMDC Hospice program to be able to provide hospice patients with access to local hospital care if needed. End of life care is important to the patient and family and we are honored to provide the service for those in our community.

Memories of the beauty, the sounds of happy children's voices, and the great community support will long live in the hearts of all sponsors, participants, and attendees of this year's Festival. We thank you again for your support and we look forward to working with you next year!

Best wishes for a happy and healthy 2006.

Warm regards,

  
Kathleen Murray  
Foundation Director

*Thanks Gary!*

*For IRS tax purposes, no goods or services were provided for this contribution.*

SUN. DEC. 4TH

IM SURE YOU ALREADY KNOW  
LONGTIME MT. IRON RESIDENT MR.  
LARRY LAPATKA HAS DIED. THANK YOU  
FOR THE WAY YOU, AS OUR MAYOR AND  
YOUR "FRIENDS" IN CITY HALL TREATED  
HIM IN HIS LAST DAYS. EVERYONE  
KNEW HE WASN'T WELL AND YOU  
HASSLED HIM ABOUT A LITTLE JUNK  
ON HIS LAND. YOU ARE THE WORST  
MAYOR SINCE MAYOR BRUNFELT.  
WHAT AN ASSHOLE YOU ARE. KEEP  
IT UP AND WE WILL FIND SOMEONE  
TO REPLACE YOU.

John Rostoshki



12-8-05

MR. MAYOR AS A CITIZEN I HAVE EVERY RIGHT TO VOICE MY OPINION TO ANY ELECTED OFFICIAL AT ANY TIME I FEEL NECESSARY. ITS TOO BAD THAT FEEDBACK CANT ALWAYS BE IN A POSSITIVE WAY.

THE NEXT TOPIC IS THE P+H MINEPRO SERVICES NOISE ISSUE. WE ALL KNOW THAT CITY STAFF LIKE TO PLAY GAMES AND DRAG THEIR FEET WHEN IT COMES DOWN TO HELPING THE PEOPLE WHO LIVE IN THIS CITY. THERE ARE MANY OF US WHO WOULD APPRECIATE YOUR HELP WITH THIS MATTER. DONT EVER FORGET WHO ELECTED YOU AND IT WASN'T ANY CORPORATION OR BUSINESS. I EXPECT TO SEE A LITTLE PROGRESS GETTING THIS ISSUE RESOLVED AS THE PROBLEM IS 400 FT FROM MY BEDROOM WINDOW AND I DONT HAVE TO LIVE WITHOUT SLEEP.

THANK YOU! John Rostkowski



Coalition of Greater Minnesota Cities

# CGMC in Brief

December 8, 2005

Contact: Sarah Kleppe  
651.225.8840

## DEED Redevelopment Grant Deadline is December 31

Cities interested in submitting an application for the Department of Employment and Economic Development (DEED) redevelopment grant program should do so before the December 31, 2005 deadline. Background information and applications are available online at: [www.deed.state.mn.us/community/RedevGr/](http://www.deed.state.mn.us/community/RedevGr/).

## CGMC Board of Directors to Meet in January

The CGMC Board of Directors will meet **Thursday, January 5, 2006, from 11 a.m. to 3 p.m. at the Flaherty & Hood, P.A. offices in St. Paul.** Board members will receive an agenda when it is finalized, but there will be discussion on transportation issues, among other items.

## Update on League of Minnesota Cities' Annual Meeting

Approximately 50 CGMC members attended the coalition's annual breakfast meeting during the League of Minnesota Cities' conference in Rochester last week. **Tim Flaherty and Kari Thurlow** provided an update on coalition issues, highlighting concerns about draft League policies regarding environment and transportation (see below for more information).

At the Saturday League general membership meeting, **Moorhead Mayor Mark Voxland, Alexandria Mayor H. Dan Ness, and Moorhead City Manager Bruce Messelt** proposed changes to the League's impaired waters draft policies. Additionally, **Rochester City Councilmember Marcia Marcoux** suggested changes to the League's draft policy on the proposed motor vehicle sales tax (MVST) constitutional amendment.

CGMC members should be aware that **December 16** is the deadline to submit comments to the League of Minnesota Cities about the draft policies. The attached CGMC handouts on environment and transportation outline concerns CGMC members have with the League's draft policies.

Please review the handouts and send your comments to the League using the contact information on each handout, or on the League's website, [www.lmnc.org/advocacy/legpolicies.cfm](http://www.lmnc.org/advocacy/legpolicies.cfm). Please email the CGMC copies of your communications with the League by email: [cgmcinfo@flaherty-hood.com](mailto:cgmcinfo@flaherty-hood.com).



# Support equitable funding of environmental mandates and TMDL matching grants.

**SD-39 Proposed Policy Change:** The LMC's proposed policy with regard to impaired waters funding is to "ensure equitable funding solutions are found." This is too vague and may allow the LMC to end up supporting funding that many cities oppose.

There are two changes to the LMC policy that should be made:

1. ~~Ensure equitable funding solutions are found.~~ Clean water programs should be paid for with a fair funding source. Fair funding will ensure that the cost of clean up is fairly distributed among homeowners, businesses, and agriculture according to each sector's impact to the state's water quality. Alternatively, the LMC encourages the state to use state general fund money to pay for these initiatives.
2. The LMC should adopt an additional position that would read as follows:  
Money allocated to clean water initiatives should first be spent on developing and complying with TMDLs, not growing the bureaucracy of the state. This priority will ensure that the state is actually making progress towards taking water bodies off the impaired waters list. At a minimum, the state should appropriate at least \$15 million in state bonds toward the TMDL matching grant program during the 2006 legislative session.

## Reasons to support changes to the LMC policy on impaired waters funding:

- ✓ Clean Water is a shared responsibility of the state, and the use of state general fund dollars allows everyone to share in paying for the cleanup.
- ✓ Unmet TMDLs will choke economic development in Minnesota. If cities are unable to comply with TMDLs, development may not move forward.
- ✓ The use of general fund dollars builds accountability into TMDL wasteload allocations. The MPCA has an incentive to spend our state's money wisely and issue a TMDL only when reasonable and necessary.
- ✓ The matching grant program provides relief to cities from unfunded mandates. By requiring the state to cover half the cost of capital costs associated with TMDLs, cities and their citizens are afforded some relief from what would otherwise be another unfunded mandate imposed by the state and federal government.

**Contact the LMC with your policy suggestions** by sending an email to [policycomments@lmnc.org](mailto:policycomments@lmnc.org). You should include your name, title, and the city you serve in the email text. You should also include the policy reference number (SD-39) in your email.

# Oppose third party control over the environmental mandate development process.

**SD-39 Proposed Policy Change:** This policy must be clarified to oppose third party TMDLs. The policy should be amended as follows: The state must assure that scientific research related to TMDLs is conducted by a qualified, objective party. ~~and that state conflict of interest laws be fully applied.~~ The MPCA should retain control of the TMDL development process and not allow private, third parties to develop TMDLs.

## Three reasons why the LMC should oppose third party TMDLs:

- ✓ Development of TMDLs is a state responsibility, and should be left to state agencies. If third parties are allowed to control the TMDL process, cities may be forced to choose between unreasonable mandates and extended economic development moratoriums.
- ✓ TMDLs should be developed using consistent scientific methods and procedures. It is less likely that the development of TMDLs will be consistent if third parties are allowed to create TMDLs.
- ✓ The cost of TMDL development may increase if MPCA is allowed to contract with third parties.

**Contact the LMC with your policy suggestions** by sending an email to [policycomments@lmnc.org](mailto:policycomments@lmnc.org). You should include your name, title, and the city you serve in the email text. You should also include the policy reference number (SD-39) in your email.

# Support a constitutional amendment dedicating 60% of Motor Vehicle Sales Tax revenue for highways and 40% for transit.

**LE-26 Proposed Policy Change (suggested new language underlined):** More resources must be dedicated to the state's transportation system. The League supports:

- the constitutional amendment proposed by the 2005 Legislature that will be presented on the 2006 general election ballot, so long as 60% of the revenue is dedicated to highways and 40% is dedicated to transit. If passed, the amendment will phase in dedication of 100% of the existing motor vehicle sales tax (MVST) to fund both highway and transit projects.
- 

Three reasons why a 60% dedication of MVST revenue is so essential:

- ✓ The current proposed constitutional amendment safeguards funding for transit, but provides no guarantee for highways. We must protect Minnesota's highways and ensure that the state will continue to address the need for road improvements,
- ✓ A 60% dedication reflects the legislature's understanding of the MVST amendment. According to the Minnesota Transportation Alliance, "the legislative intent...was that the funding be split 60/40 between highways and transit,"
- ✓ Improving the language will increase the likelihood of the amendment's passage. Clearer language means that voters will understand the amendment, and be more likely to vote "yes."

*Contact the LMC with your policy suggestions by sending an email to [policycomments@lmnc.org](mailto:policycomments@lmnc.org). You should include your name, title, and the city you serve in the email text. You should also include the policy reference number (LE-26) in your email.*

**Craig J. Wainio**

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**From:** maosc-bounces@communityforum.net on behalf of Minn. Association of Small Cities  
[maosc@mchsi.com]  
**Sent:** Monday, December 12, 2005 9:30 AM  
**To:** MAOSC Community Forum  
**Subject:** [Maosc] Update Dec 12 05  
**Attachments:** ATT180123.txt

## SMALL CITIES UPDATE December 12, 2005

### **Budget forecast good, but caution still needed**

A \$701 million surplus for fiscal year 2006-07 has reversed the trend of budget deficits that has plagued Minnesota for the last five years, but caution should still be observed. The revenue surplus announced in November was driven primarily by an 11 percent increase in corporate tax revenue, while the increases in individual income and sales taxes were less than 2 percent. After inflation and a possible motor vehicle sales tax (MVST) transfer, the 2008 and 2009 surpluses are only projected at \$2 million and \$137 million, which are very small surpluses. Even a small downturn in the economy could return the state to budget deficits.

Even the current "surplus" is suspect. **Since the state borrowed money from schools to help "balance" its general fund budgets, by law, the surplus must be used to pay back school districts.** Unless the legislature changes the law, no new money will be available for other programs – including LGA – without a tax or fee increase. **However, some legislators are talking about the need to provide property tax relief, and LGA will likely be part of that discussion.**

**MAOSC is seeking a fully funded LGA formula by 2009, starting with the restoration of at least \$40 million in the 2006 session.** The \$40 million is still \$131 million less than what the program would have received if the 2003 law had remained in place. We also think the LGA formula should be changed to:

- Include a new LGA formula for cities under 2,500, since the current formula does not adequately reflect the needs of cities of this size.
- Update the need formula by inflation since 2001, not 2003.
- Remove the taconite offset for all cities.
- Modify the LGA formula caps to automatically adjust for changes in the overall LGA appropriation.

### **Constitutional amendment won't end road funding woes**

Last session, the Governor vetoed a transportation bill that included a 10 cent a gallon tax increase, but he had no veto rights over the constitutional amendment that was tucked into the proposal. **If the constitutional amendment is put on the ballot and passed, it would phase in the dedication of**

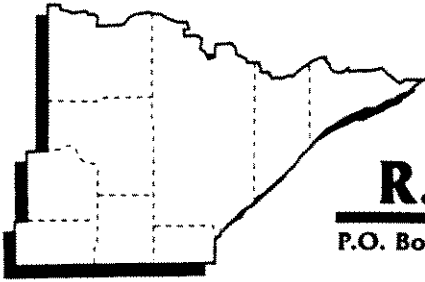
**100 percent of the existing motor vehicle sales tax (MVST) to fund both highway and transit projects.** While many transportation advocates are whole-heartedly supporting the amendment and planning campaigns to encourage the public to vote for it if it gets on the ballot next November, **MAOSC is a little more wary** of the whole thing.

For one thing, **the amendment puts no new money into Minnesota coffers.** It only dedicates a portion of the general fund to roads and transit, creating a hole in the budget. It will also confuse voters, many of whom will think the state has “extra” money. **Given the budget outlook, however, it will be hard for MAOSC to demand that a source of money must be found to fill the general fund hole created by eventually transferring all of the MVST revenue to transportation.** Much will depend on the February budget forecast which could change the surplus total and the outlook for the next biennium.

**The wording of the amendment is also a problem.** Currently, it dedicates 40 percent of the money to transit but does not say how the remaining 60 percent will be distributed. MAOSC believes that this needs to be changed. **There are three reasons why 60 percent of the revenue must be dedicated to highways.** They are:

- The current proposed constitutional amendment **safeguards funding for transit, but provides no guarantee for highways.** We must protect Minnesota’s highways and ensure that the state will continue to address the need for road improvements.
- A 60 percent dedication reflects the Legislature’s understanding of the MVST amendment. According to the Minnesota Transportation Alliance, **“the legislative intent...was that the funding be split 60/40 between highways and transit.”**
- Improving the language will increase the likelihood of the amendment’s passage. **Clearer language means that voters will understand the amendment and be more likely to vote “yes.”**

MN Assn of Small Cities, Nancy Larson, Exec Dir, 21950 CSAH, Dassel MN 55325 (O) 320-275-3130, [nanlars@LL.net](mailto:nanlars@LL.net)  
Katherine Fenrich, Assoc Dir, 25770 CSAH 1, Litchfield MN 55355 (O) 320-693-1283 (F) 320-693-1284 [maosc@mchsi.com](mailto:maosc@mchsi.com)



One Range...One Voice

## **Range Association of Municipalities and Schools**

P.O. Box 705, Buhl, MN 55713

PHONE (218) 258-3216

FAX (218) 258-3217

TO: RAMS MEMBER CITIES/SCHOOLS/TOWNS  
FROM: RON DICKLICH  
DATE: DECEMBER 9, 2005  
SUBJECT: BOARD OF DIRECTORS POSITIONS

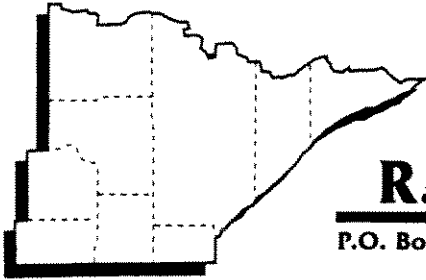
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The Nominating Committee will be meeting soon to formulate a recommended slate of officers and candidates to be presented for election at the RAMS Annual Membership meeting on February 3, 2006

Any jurisdiction that is interested in having a local elected official be considered for a board position should send a letter or resolution to the RAMS office no later than January 13, 2006.

If you have any questions, please call me at 258-3216 or 996-1988.





One Range...One Voice

## **Range Association of Municipalities and Schools**

P.O. Box 705, Buhl, MN 55713

PHONE (218) 258-3216

FAX (218) 258-3217

December 9, 2005

### **OFFICIAL NOTICE**

TO ALL MEMBERS OF THE  
RANGE ASSOCIATION OF MUNICIPALITIES AND SCHOOLS

Dear Members:

The Annual Membership Meeting of the Range Association of Municipalities and Schools will be held on Friday, February 3, 2006 at the Hibbing Park Hotel, Hibbing, Minnesota. A social hour will be held from 5:30 PM to 6:30 PM. Dinner will be served at 6:30 PM.

New officers and members of the board of directors will be elected as a part of a short program, and Range Delegation members will discuss expectations of the 2006 legislative session.

Voting rules provide that each member city, town, or school district shall be entitled to one vote. Persons eligible to attend the annual meeting are as follows:

1. Elected officials of a member city, school, or town.
2. Clerks, treasurers, attorneys, superintendents, administrators, or business agents of the member unit.

Please return the enclosed postcard indicating the number and a list of names of the individuals who plan to attend the Annual Meeting from your member unit. Please do not overstate the number attending, as RAMS must pay for all reservations. Please reply no later than Thursday, January 20, 2006.

We look forward to seeing you at the Annual Meeting.

CARTER PETTERSEN  
President