

**MOUNTAIN IRON CITY COUNCIL MEETING
COMMUNITY CENTER
MOUNTAIN IRON ROOM
MONDAY, DECEMBER 21, 2009 - 6:30 P.M.
A G E N D A**

- I. Roll Call
- II. Consent Agenda
 - A. Minutes of the December 7, 2009, Regular Meeting (#1-7)
 - B. Receipts
 - C. Bills and Payroll
- III. Public Forum
- IV. Committee and Staff Reports
 - A. Mayor's Report
 - 1. Finance/Budget Committee (#8)
 - B. City Administrator's Report
 - 1. Lease with RGGGS Land and Minerals (#9-10)
 - C. Director of Public Works Report
 - D. Sheriff's Department Report
 - E. City Engineer's Report
 - 1. Change Order Number 1 for 2009 Street Improvements (#11-12)
 - 2. Pay Request Number 3 for 2009 Street Improvements (#13-14)
 - 3. Change Order Number 2 Wastewater Treatment Plant Improvements (#15-17)
 - 4. Change Order Number 3 Wastewater Treatment Plant Improvements (#18-22)
 - 5. Quote to Rehabilitate Clarifier Domes at Wastewater Treatment Plant (#23-25)
 - F. Library Board
 - 1. Library Substitute Position (#26)
 - G. Personnel Committee
 - 1. Hiring Policy Amendment (#27-29)
 - H. Liaison Reports
- V. Unfinished Business
- VI. New Business
 - A. 2010 Budget (#30-48)
 - B. Resolution Number 53-09 Approving Final Levy (#49)
 - C. Resolution Number 54-09 Approving Final Market Rate Levy (#50)
- VII. Announcements
- VIII. Closed Meeting – Consider Strategies for Labor Negotiations (#51)
- IX. Adjourn

Denotes page number in packet

MINUTES
MOUNTAIN IRON CITY COUNCIL
DECEMBER 7, 2009

Mayor Skalko called the City Council meeting to order at 6:30 p.m. with the following members present: Joe Prebeg, Jr., Tony Zupancich, Alan Stanaway, Ed Roskoski, and Mayor Gary Skalko. Also present were: Craig J. Wainio, City Administrator; Jill M. Anderson, Municipal Services Secretary; Don Kleinschmidt, Director of Public Works; Rod Flannigan, City Engineer (entered at 6:45 p.m.); and John Backman, Sergeant (entered at 6:56 p.m.).

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

- A. Approve the minutes of the November 16, 2009, Regular meeting as submitted.
- B. Approve the minutes of the November 10, 2009, Committee-of-the-Whole meeting as submitted.
- C. Approve the minutes of the November 16, 2009, Committee-of-the-Whole meeting as submitted.
- D. To acknowledge the receipts for the period November 16-30, 2009, totaling \$193,274.60, (a list is attached and made a part of these minutes).
- E. To authorize the payments of the bills and payroll for the period November 16-30, 2009, totaling \$594,011.75, (a list is attached and made a part of these minutes). Note: The bill from Zeigler Incorporated would be voted on separately.
- F. 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.

The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Stanaway to authorize the payment of the Zeigler bill for the skid steer loader in the amount of \$56,639.95. The motion carried on the following roll call vote: Zupancich, yes; Stanaway, yes; Roskoski, no; Prebeg, yes; and Skalko, no.

At 6:33 p.m., it was moved by Zupancich and seconded by Prebeg to recess the regular meeting and open the truth in taxation hearing. The motion carried.

The Mayor asked the City Administrator to give a brief statement regarding the effects of the tax levy in the City over the past few years.

The Mayor added that several of the City's general fund revenue items have been drastically reduced with the cuts to taconite aid and local government aid. He also said that the Council had been making budget cuts and adjustments with the loss of these revenues.

The following people spoke during the public hearing:

- Ted Erchul, 8762 Unity Drive, was questioning whether the amount on the truth in taxation notice were firm. The Council stated that the percent of levy proposed on the statement was at nine percent and it would probably be lowered to a five percent levy increase.
- Keith Altobelli, 8366 Marigold Street, said that he was looking at a 28% increase in his taxes. He said that the Council needs to look at further cuts in the city budget rather than increasing the levy on the property owners.
- James Duffy, 5741 Eagle Avenue, said that the statement reflected an increase of 83%. He also questioned why the increase was so high.
- Rob Thompson, 9353 Old Highway 169, commented that his taxes also went up significantly.
- Tom Nikolanci, 8821 Unity Drive, stated that over the last five years his taxes have averaged an increase of 14.5% and averaged an increase of 8% in the last 11 years. He challenged the Council to adjust the budget to get by with less and keep the levy at zero.
- Tom Jacobsen, representing his father, Charlie Jacobsen, 9000 Highway 101, commented that all of his parcels were changed to vacant rural land from the previous classification of agricultural. The Council advised him to check with the County Assessor regarding his property classification.
- Brad Hejda, 5623 Falcon Avenue, concurred with Mr. Nikolanci. He also said that his taxes have increased significantly over the past few years.
- Rob Johnson, 9353 Old Highway 169, expressed concern with the increase in real estate taxes. He suggested that the City send out a mailing to explain to the residents why there would be a significant increase in their taxes.
- Eugene Specht, 8395 Spruce Drive, also expressing concern with the increased taxes.
- Councilor Roskoski also mentioned that several residents had contacted him personally with concerns about the levy increase.

At 7:38 p.m., it was moved by Zupancich and seconded by Prebeg to adjourn the truth in taxation hearing and reconvene the regular meeting. The motion carried.

It was moved by Skalko and seconded by Zupancich to recognize Chris Schmidt for his brave and heroic efforts during the recent fire at the Raintree Apartments. The motion carried.

The Mayor updated the Council on the following:

- Raintree Apartment Fire. The Mayor expressed his gratitude and thanks to the Mountain Iron Volunteer Fire Department for the excellent work during the fire at the apartments.
- Downtown Street Lighting. The project is going well and looks very nice. He said that there is still one more light standard to install at the corner of Mesabi Avenue and Main Street.

- Perkins Family Restaurant. There was a ground breaking ceremony conducted on November 23, 2009. The business should create 20-25 new jobs. The tentative opening date will be in April of 2010.
- Laurentian Clinic. He said that they are opening on December 14, 2009. He also said that a formal grand opening would be held in February, 2010.
- Labor Management Meeting. The next meeting was set for Tuesday, December 15, 2009, at 2:00 p.m. with Mayor Skalko and Councilor Roskoski attending.

It was moved by Skalko and seconded by Stanaway to support an environmental impact study for Poly Met. The motion carried.

It was moved by Prebeg and seconded by Zupancich to authorize a contribution of \$100 to the Senior Citizens Club annual holiday party. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Stanaway to authorize Gregory Jarvela to continue permanent employment as a Journeyman Lineman with the City of Mountain Iron following his six month probationary period. The motion carried.

It was moved by Roskoski and seconded by Zupancich to accept the recommendation of City Staff and authorize Jeffrey Marks to move from the Labor position, Job Class 6, to the Equipment Operator position, Job Class 12, effective immediately. The motion carried.

It was moved by Zupancich and seconded by Prebeg to accept the letter of retirement from Bob Brown with his last day being December 22, 2009, send him a letter of thanks for his years of service, and to direct City Staff to advertise for the Commercial Building Inspector position. The motion carried.

It was moved by Prebeg and seconded by Stanaway to refer the Commercial Building Inspector position to the Personal Committee for further review. The motion carried.

It was moved by Prebeg and seconded by Zupancich to authorize the purchase of one transformer from Resco for their low quote of \$7,262.15, with the funds being expended from the Electric Fund. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Zupancich to authorize the purchase of an infield groomer and accessories from MTI Distribution at the government contract price of \$11,018.87, with the funds expended from the 2009 Recreation Department budget. The motion carried on the following roll call vote: Prebeg, yes; Zupancich, yes; Stanaway, yes; Roskoski, no; and Skalko, yes.

The Sergeant reported to the Council regarding two major cases in Mountain Iron: 1) A bomb threat at the high school, he said that there were no explosive devices placed or intended to be placed, and 2) the shooting in South Grove, he said that it was a random act with two parties that knew each other. In both cases, the responsible parties have been found and the investigation is complete.

It was moved by Zupancich and seconded by Prebeg to authorize change order number one to Magney Construction Incorporated to extend the completion date to January 1, 2010, for the Wastewater Treatment Plant Improvement Project. The motion carried.

It was moved by Stanaway and seconded by Prebeg to authorize payment request number one to Walker Process Equipment for the Mountain Iron Wastewater Treatment Plant Equipment purchase in the amount of \$136,835.00. The motion carried unanimously on a roll call vote.

It was moved by Prebeg and seconded by Zupancich to authorize payment request number three to Magney Construction Incorporated for the Mountain Iron Wastewater Treatment Plant Project in the amount of \$186,158.20. The motion carried on the following roll call vote: Stanaway, yes; Roskoski, no; Prebeg, yes; Zupancich, yes; and Skalko, yes.

Liaison Reports:

- Library Board. Councilor Stanaway reviewed the library report for the month of November, 2009.

It was moved by Prebeg and seconded by Skalko to waive the Community Center building rental fee for December 18, 2009, for a benefit for Charlene Frost. The motion carried.

It was moved by Prebeg and seconded by Zupancich to waive the Community Center building rental fee for January 30, 2010, for a benefit for Penny Syversrud. The motion carried.

It was moved by Zupancich and seconded by Roskoski to authorize Jeff and Greg Peterson Incorporated, dba: B.G.'s Saloon to use their on-sale license to serve alcohol at the Piersig/Haley wedding at the Mountain Iron Community Center on December 12, 2009. The motion carried.

At 8:09 p.m., it was moved by Skalko and seconded by Zupancich that the meeting be adjourned. The motion carried.

Submitted by:



Jill M. Anderson, CMC/MMCA
Municipal Services Secretary

www.mtniron.com

COMMUNICATIONS

1. MediaCom, a letter advising of improvements made to the programming choices for the customers in northern Minnesota areas.

Summary By Category And Distribution

Category	Distribution	Amount
UTILITY	UTILITY	109,550.43
CHARGE FOR SERVICES	ELECTRIC-CHG FOR SERVICES	125.05
FINES	CRIMINAL	1,015.10
SPECIAL ASSESSMENTS	SPECIAL ASSESS.-BOND MONEY	12,683.03
METER DEPOSITS	ELECTRIC	1,050.00
PERMITS	BUILDING	8,727.28
MISCELLANEOUS	ASSESSMENT SEARCHES	30.00
INTERGOVERNMENTAL REVENUE	STATE FIRE AID	9,134.00
CD INTEREST	CD INTEREST 101	97.51
CD INTEREST	CD INTEREST 378	991.41
CD INTEREST	CD INTEREST 602	260.04
CD INTEREST	CD INTEREST 603	276.33
BUILDING RENTALS	NICHOLS HALL	70.00
LICENSES	LIQUOR	830.00
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	900.00
BUILDING RENTALS	SENIOR CENTER	100.00
BUILDING RENTALS	COMMUNITY CENTER	150.00
LICENSES	CIGARETTE	100.00
INTERGOVERNMENTAL REVENUE	STATE OF MN-FOREST GR ADDITION	46,830.98
CHARGE FOR SERVICES	REFUSE REMOVAL-CHG FOR SERVICE	12.85
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	290.59
FINES	ADMINISTRATIVE OFFENSE	50.00
Summary Totals:		<u>193,274.60</u>

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
12/09	12/08/2009	138817	10041	ARROWHEAD EMS ASSOCIATION	101-20200	75.00
12/09	12/08/2009	138818	10025	ARROWHEAD REGION EMER. MGMT.A	101-20200	25.00
12/09	12/08/2009	138819	5007	ASSURANT EMPLOYEE BENEFITS	603-20200	626.78
12/09	12/08/2009	138820	20022	BENCHMARK ENGINEERING INC	301-20200	22,808.00
12/09	12/08/2009	138821	20010	BISS LOCK INC	101-20200	14.96
12/09	12/08/2009	138822	20014	BORDER STATES ELECTRIC SUPPLY	604-20200	1,096.25
12/09	12/08/2009	138823	30078	CALIFORNIA CONTRACTOR SUPPLIES	604-20200	89.70
12/09	12/08/2009	138824	30017	CARQUEST (MOUNTAIN IRON)	101-20200	362.88
12/09	12/08/2009	138825	30004	CITY OF MOUNTAIN IRON	101-20200	1,369.10
12/09	12/08/2009	138826	230021	CRAIG J WAINIO	101-20200	24.75
12/09	12/08/2009	138827	30059	CVAR, THOMAS	101-20200	10.00
12/09	12/08/2009	138828	30072	CW TECHNOLOGY	301-20200	1,018.30
12/09	12/08/2009	138829	40006	DRIVER & VEHICLE SERVICE DIV	604-20200	35.00
12/09	12/08/2009	138830	40027	DULUTH/SUPERIOR COMMUNICATIONS	101-20200	154.50
12/09	12/08/2009	138831	500012	ERA LABORATORIES INC	601-20200	497.80
12/09	12/08/2009	138832	60026	FASTENAL COMPANY	602-20200	55.12
12/09	12/08/2009	138833	60045	FIELD LOGIC INC	301-20200	84.40
12/09	12/08/2009	138834	60006	FISHER PRINTING	101-20200	1,104.02
12/09	12/08/2009	138835	60038	FLEET SERVICES	101-20200	3,863.43
12/09	12/08/2009	138836	70016	GOPHER STATE ONE CALL INC	604-20200	37.70
12/09	12/08/2009	138837	70028	GREATER MINNESOTA AGENCY INC	101-20200	192.00
12/09	12/08/2009	138838	70029	GUARDIAN PEST CONTROL INC	101-20200	70.70
12/09	12/08/2009	138839	70009	GULBRANSON EXCAVATING CO	604-20200	2,666.00
12/09	12/08/2009	138840	140013	HD WATERWORKS SUPPLY	601-20200	355.73
12/09	12/08/2009	138841	80017	HENRY'S WATERWORKS INC	101-20200	103.38
12/09	12/08/2009	138842	80001	HILLYARD/HUTCHINSON	101-20200	931.04
12/09	12/08/2009	138843	90010	INTERNATIONAL INSTITUTE OF	101-20200	225.00
12/09	12/08/2009	138844	90006	IRON TRAIL MOTORS	604-20200	21.59
12/09	12/08/2009	138845	1225	JEREMY BELLEVILLE	604-20200	340.01
12/09	12/08/2009	138846	120032	LAKE COUNTRY POWER	101-20200	197.72
12/09	12/08/2009	138847	120002	LAWSON PRODUCTS INC	101-20200	527.12
12/09	12/08/2009	138848	130144	MAGNEY CONSTRUCTION INC	602-20200	186,158.20
12/09	12/08/2009	138849	1226	MARY ANNE PRINKKILA-ROGERS	101-20200	100.00
12/09	12/08/2009	138850	130004	MESABI DAILY NEWS	101-20200	188.00
12/09	12/08/2009	138851	130006	MESABI HUMANE SOCIETY	101-20200	1,500.00
12/09	12/08/2009	138852	130093	MESABI RANGE COLLEGE	101-20200	460.00
12/09	12/08/2009	138853	130026	MESABI SIGN COMPANY	101-20200	213.74
12/09	12/08/2009	138854	130044	MINNESOTA DEPT OF HEALTH	601-20200	1,500.00
12/09	12/08/2009	138855	130102	MINNESOTA DEPT OF HEALTH	101-20200	440.00
12/09	12/08/2009	138856	130009	MINNESOTA POWER	602-20200	1,027.26
12/09	12/08/2009	138857	13110	MOUNTAIN IRON SENIOR CITIZENS	101-20200	100.00
12/09	12/08/2009	138858	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	46,129.30
12/09	12/08/2009	138859	1227	NORTHERN MN BUILDERS ASSOC	101-20200	50.00
12/09	12/08/2009	138860	40032	OFFICE OF ENTERPRISE TECHNOLOG	101-20200	454.36
12/09	12/08/2009	138861	1228	PAUL CLARK	101-20200	200.00
12/09	12/08/2009	138862	160037	PRAXAIR	101-20200	23.44
12/09	12/08/2009	138863	170005	QUALITY FLOW SYSTEMS INC	602-20200	1,002.88
12/09	12/08/2009	138864	170007	QUILL CORPORATION	601-20200	963.45
12/09	12/08/2009	138865	170001	QWEST	602-20200	107.18
12/09	12/08/2009	138866	180045	RESERVE ACCOUNT	101-20200	1,500.00
12/09	12/08/2009	138867	180053	RUSSO CONSULTING	101-20200	360.00
12/09	12/08/2009	138868	190020	SCHERER'S BOMBARDIER	101-20200	120.00
12/09	12/08/2009	138869	190079	SCHINDLER ELEVATOR CORPORATIOI	101-20200	2,033.51
12/09	12/08/2009	138870	190045	SERVICE SOLUTIONS	101-20200	22.34
12/09	12/08/2009	138871	190016	ST LOUIS COUNTY AUDITOR	101-20200	705.60
12/09	12/08/2009	138872	200003	TACONITE TIRE SERVICE	604-20200	18.95
12/09	12/08/2009	138873	200020	THE TRENTI LAW FIRM	101-20200	3,361.48

M = Manual Check, V = Void Check

Per	Date	Check No	Vendor No	Payee	Check GL Acct	Amount
12/09	12/08/2009	138874	200006	TRIMARK INDUSTRIAL	602-20200	77.67
12/09	12/08/2009	138875	200036	TRITEC OF MINNESOTA INC	101-20200	69.47
12/09	12/08/2009	138876	210001	UNITED ELECTRIC COMPANY	101-20200	230.34
12/09	12/08/2009	138877	210009	USA BLUE BOOK	602-20200	156.70
12/09	12/08/2009	138878	220025	VERIZON WIRELESS	101-20200	16.09
12/09	12/08/2009	138879	220014	VIKING INDUSTRIAL NORTH	101-20200	230.73
12/09	12/08/2009	138880	220020	VISA OR AMERICAN BANK CC PMT	604-20200	7,591.50
12/09	12/08/2009	138881	230001	WALKER GIROUX AND HAHNE LTD	101-20200	265.00
12/09	12/08/2009	138882	230036	WALKER PROCESS EQUIPMENT	602-20200	136,835.00
12/09	12/08/2009	138883	230005	WESCO DISTRIBUTION INC	604-20200	10,394.67
12/09	12/08/2009	138884	240001	XEROX CORPORATION	101-20200	640.21
12/09	12/08/2009	138885	260005	ZEP MANUFACTURING COMPANY	101-20200	123.93
12/09	12/08/2009	138886	260001	ZIEGLER INC	604-20200	56,639.95

Totals:

500,993.93

Payroll_PP Ending 12/11/09

93,017.82

TOTAL EXPENDITURES

\$594,011.75

COUNCIL LETTER 122109-IVA1

MAYOR SKALKO

CREATING A FINANCE/BUDGET COMMITTEE

DATE: December 16, 2009

FROM: Mayor Skalko

Craig J. Wainio
City Administrator

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

The intent is to create the most efficient, accountable City budget possible, especially in these very tough economic times. With the City dealing with a large loss of revenue with State aid (LGA) and taconite production aid reductions; I believe a "Team Approach" is the most effective way to achieve that goal. For that reason, beginning on January 1, 2010, this resolution would create such a committee.

This "advisory" Finance/Budget Committee would consist of the following:

- Mayor, Deputy Mayor, City Administrator, Director of Public Works/Parks & Recreation, and Library Director.
- Other members would include the Fire Chief, First Responders Director, and Sergeant of our Sheriff's Department.
- The Chairperson of each of City's various advisory Boards/Commission would also be invited to attend.

The function of the Committee would be to give input and make recommendations on budget needs and concerns, preliminary levy limits, etc. The City Administrator then would utilize these recommendations in bringing forth a preliminary levy and budget to the Council.

Adopting the City's final levy and budget would be the sole power and right of the entire City Council, just as it is currently.

This Finance/Budget Committee would meet on an on-need basis, with the Mayor, Deputy Mayor, and City Administrator having the authority to schedule meetings.

RGGS LAND & MINERALS, LTD., L.P.

202 South 2nd Avenue

Virginia, Minnesota 55792

Sign & Rock

010 169 + HWY 53

December 3, 2009

City of Mt. Iron
8586 Enterprise Dr. S
Mt. Iron, MN 55768

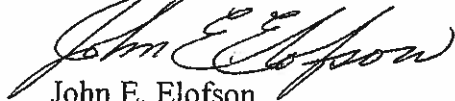
Re: Lease Amendment

Please find enclosed two original Amendments to your Lease 13304.

Sign both Amendments and return one (1) along with full payment to this office. Keep the other one for your records and attach it to your Lease document.

If you have any questions concerning your Lease please contact this office.

Sincerely,



John E. Elofson
RGGS Land & Minerals, LTD., L.P.

AMENDMENT

Surface Lease 13304 (hereinafter the "Agreement")

IT IS HEREBY AGREED, by and between the undersigned parties, that the referenced Agreement by and between RGGGS Land & Minerals, LTD., L.P., a Delaware limited partnership, and the City of Mt. Iron, 8586 Enterprise Drive South, Mt. Iron, Minnesota 55768 be and hereby is amended as follows:

- 1. The original term of the referenced Agreement is January 1, 2005, through December 31, 2005. The Agreement is hereby amended and extended until December 31, 2010.
2. The annual rental fee for this extended time period shall remain the same at \$165.00, which sum shall be payable to RGGGS Land & Minerals, LTD., L.P. Sign both copies of this Amendment and return one copy along with your rental payment to RGGGS Land & Minerals, LTD., L.P. at 202 South 2nd Avenue, Virginia, Minnesota 55792.
3. This Amendment shall be effective as of January 1, 2010.

IT IS FURTHER AGREED that except as hereinabove amended, the terms, conditions, and obligations of the referenced Agreement are incorporated herein as if fully set forth at length, and shall remain in full force and effect until termination or until otherwise further amended by the parties in writing.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of the date(s) set forth below.

Lessor: RGGGS LAND & MINERALS, LTD., L.P.

Lessee: CITY OF MT. IRON

By: Gordy Oil Company, a Texas corporation

By: _____

Its: General Partner

Title: _____

By: [Signature]
Russell D. Gordy, President

Dated: _____

Dated: _____



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261
Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

December 14, 2009

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

Re: City of Mountain Iron, MN
2009 Street Improvements
Project No. MI09-07 & MI09-14

Dear Mr. Wainio;

Enclosed please find final Pay Request No. 3 for the City of Mountain Iron 2009 Street Improvements project in the amount of **\$14,035.95**, for approval at your next scheduled City Council meeting. All work has been completed in accordance with the contract documents.

Also enclosed for approval is final compensating change order #1 that *decreases* the final project cost by \$8,837.47. The change order is due to minor final contract quantity adjustments. Once approved, please sign and date the change order and return two (2) copies to our office. Our office will forward a fully executed copy of the final change order to the Contractor.

In addition, enclosed are the project IC-134 forms for your files. It is recommended that the City Council first approve the final change order and then the final pay request for the above referenced project.

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.


Eric E. Fallstrom, P.E.

Enclosure

Pc: Mr. Jerry Nemanich, Mesabi Bituminous

CHANGE ORDER

Order No. 1 - FINAL

Date: 12/1/09

NAME OF PROJECT/PROJECT NO: 2009 Street Improvements / MI09-07 & MI09-14

OWNER: City of Mountain Iron

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

ENGINEER: Benchmark Engineering, Inc.

Reason for Change Order:

This final compensating change order is required to set the contract amount equal to the actual project cost. The decrease in cost is due to minor final contract quantity adjustments.

The following changes are hereby made to the CONTRACT DOCUMENTS:

The contract amount is decreased by **\$8,837.47**.


Change to CONTRACT PRICE:

Original CONTRACT PRICE \$ 289,556.50

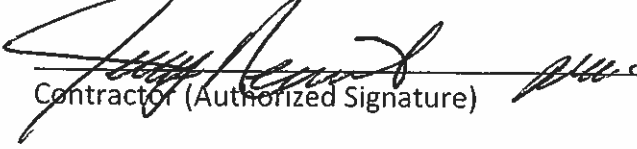
Current CONTRACT PRICE adjusted by previous CHANGE ORDERS \$ 289,556.50

The CONTRACT PRICE due to this CHANGE ORDER will be decreased by: \$ (8,837.47)

The new CONTRACT PRICE including this CHANGE ORDER will be: \$ 280,719.03

Recommended by:  12-1-09
Engineer (Authorized Signature) Date:

Approved by: _____ _____
Owner (Authorized Signature) Date:

Accepted by:  12-02-09
Contractor (Authorized Signature) Date:

RECOMMENDATION OF PAYMENT

No. 3-FINAL

Owner's Project No.: _____

Engineer's Project No.: MI09-07 & MI09-14

Project: 2009 Street Improvements

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

For Period Ending: November 30, 2009

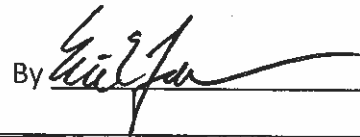
To: City of Mountain Iron
Owner

Attached hereto is the CONTRACTOR's Application for Payment for Work accomplished under the Contract through the date indicated above. The application meets the requirements of the Contract Documents for the payment or work completed as of the date of this Application.

In accordance with the Contract the undersigned recommends payment to the CONTRACTOR of the amount due as shown below.

BENCHMARK ENGINEERING, INC.

Dated December 1, 2009

By  _____

STATEMENT OF WORK

Original Contract Price	\$ <u>289,556.50</u>	Work & Materials to Date	\$ <u>280,719.03</u>
Net Change Orders	\$ <u>(8,837.47)</u>	Amount Retained	\$ <u>0.00</u>
Current Contract Price	\$ <u>280,719.03</u>	Subtotal	\$ <u>280,719.03</u>
		Previous Payments	\$ <u>266,683.08</u>
		Amount Due this Payment	\$ <u>14,035.95</u>



PAY REQUEST NO. 3 - FINAL
 2009 STREET IMPROVEMENTS
 MOUNTAIN IRON, MINNESOTA
 PROJECT NO.: MI09-07 & MI09-14

CONTRACTOR: MESABI BITUMINOUS

ITEM NO.	ITEM	UNITS	PROJECT QUANTITY	ITEM COST	OLD HWY 169 QUANTITY	MILL AVENUE QUANTITY	ADDTL STRIPING QUANTITY	TOTAL QUANTITY	TOTAL AMOUNT
2104.503	REMOVE BITUMINOUS PAVEMENT	SQ. YD.	600.0	\$3.00	578.0			578.0	\$1,734.00
2104.513	SAWING BITUMINOUS PAVEMENT (FULL DEPTH)	LIN. FT.	96.0	\$3.00	50.0			50.0	\$150.00
2105.501	COMMON EXCAVATION (PV)	CU. YD.	50.0	\$8.00		50.0		50.0	\$400.00
2105.507	SUBGRADE EXCAVATION (PV)	CU. YD.	1,100.0	\$6.00	1,100.0			1,100.0	\$6,600.00
2105.521	SELECT GRANULAR BORROW (CV)	CU. YD.	870.0	\$9.50	665.0			665.0	\$6,317.50
2105.525	TOPSOIL BORROW (CV)	CU. YD.	15.0	\$10.00		15.0		15.0	\$150.00
2105.601	GRADING & COMPACTION	LUMP SUM	1.0	\$1,500.00		1.0		1.0	\$1,500.00
2105.604	GEOTEXTILE FABRIC TYPE V	SQ. YD.	1,050.0	\$1.00	1,050.0			1,050.0	\$1,050.00
2211.503	AGGREGATE BASE (CV), CLASS 5	CU. YD.	250.0	\$16.00	230.0	20.0		250.0	\$4,000.00
2221.503	AGGREGATE SHOULDERING (CV), CLASS 1	CU. YD.	665.0	\$22.00	614.0	10.0		624.0	\$13,728.00
2350.501	TYPE LV5 WEARING COURSE MIXTURE (B)	TON	2,325.0	\$66.00	2,006.6	85.0		2,091.6	\$138,045.60
2350.502	TYPE LV5 NON-WEARING COURSE MIXTURE (B)	TON	780.0	\$70.00	840.0			840.0	\$58,800.00
2350.502	TYPE LV3 NON-WEARING COURSE MIXTURE (B)	TON	236.0	\$65.00	160.1	80.9		241.0	\$15,665.00
2506.522	ADJUST FRAME & RING CASTING	EACH	1.0	\$125.00		1.0		1.0	\$125.00
2563.601	TRAFFIC CONTROL	LUMP SUM	1.0	\$15,000.00	0.9	0.1		1.0	\$15,000.00
2575.505	SODDING LAWN TYPE	SQ. YD.	170.0	\$5.00		173.0		173.0	\$865.00
2575.555	TURF ESTABLISHMENT	LUMP SUM	1.0	\$800.00	0.5	0.5		1.0	\$800.00
2582.502	4" DOUBLE SOLID LINE YELLOW - PAINT	LIN. FT.	8,850.0	\$0.30	0.0			0.0	\$0.00
2582.502	4" DOUBLE SOLID LINE YELLOW - EPOXY	LIN. FT.	8,850.0	\$0.45	8,995.0		16,822.0	25,817.0	\$11,617.65
2582.502	4" SOLID LINE WHITE - EPOXY	LIN. FT.	17,700.0	\$0.23	17,586.0		550.0	18,136.0	\$4,171.28

PER PROJECT COST TO DATE: \$256,674.13 \$16,348.50 \$7,696.40

COMPLETED TO DATE: \$280,719.03
 LESS RETAINAGE: \$0.00
 SUBTOTAL PAY REQUEST #3: \$280,719.03
 LESS PREVIOUS PAYMENTS: (\$266,683.08)

TOTAL PAY REQUEST #3: \$14,035.95

BENCHMARK ENGINEERING, INC.



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
MINING • LAND SURVEYING • LAND DATA BASE MAPPING

8878 Main Street • P.O. Box 261
Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

December 16, 2009

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

Re: City of Mountain Iron
WWTP Improvements
MI09-02

Dear Mr. Wainio;

Enclosed please find Change Order #2 for the above referenced project.

This change order is recommended in order to complete this project. Change Order #2 increases the Contract amount by **\$6,262.04**. This Change Order is necessary to repair the cracks/deteriorating areas in the concrete floor/ceiling in the Pretreatment Building at the Wastewater Treatment Plant. This Change Order will correct a safety concern and prevent a floor/ceiling collapse.

Should the change order be approved at the December 21, 2009 council meeting, please sign and date three (3) copies of Change Order #2 and return all copies to our office. We will forward the change order to the Contractor for signatures, and return a fully executed copy to your office

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.


Joseph Palo, P.E. *FOR*

Enclosures

CHANGE ORDER

Order No. 2

Date: 12/16/09

NAME OF PROJECT/PROJECT NO: Wastewater Treatment Plant Improvements/MI09-02

OWNER: City of Mountain Iron

CONTRACTOR: Magney Construction, Inc.
1401 Park Road, Chanhassen, MN 55317

ENGINEER: Benchmark Engineering, Inc.

Reason for Change Order:

During construction it was discovered that the concrete floor/ceiling in the Pretreatment building is in need of additional repair. This repair is required for proper maintenance and safety of the building. This Change Order authorizes the removal and replacement of concrete and reinforcing steel.

The following changes are hereby made to the CONTRACT DOCUMENTS:

A total of **\$6,262.04** is added to the final contract amount. Please refer to the attached summary for a detailed breakdown of approximate additional quantities.

Change to CONTRACT PRICE:


Original CONTRACT PRICE \$ 578,600.00

Current CONTRACT PRICE adjusted by previous CHANGE ORDERS \$ 578,600.00

The CONTRACT PRICE due to this CHANGE ORDER will be increased by: \$ 6,262.04

The new CONTRACT PRICE including this CHANGE ORDER will be: \$ 584,862.04

Final Contract Completion Date: May 31, 2010

Recommended by:  12-16-09
Engineer (Authorized Signature) Date:

Approved by: _____
Owner (Authorized Signature) Date:

Accepted by: _____
Contractor (Authorized Signature) Date:

PRICE QUOTATION

MAGNEY CONSTRUCTION, INC.

1401 Park Road
Chanhassen, MN 55317

Phone (952)474-1674
Fax (952)474-1679

SEND TO Company name Benchmark Engineering	From Mark Magney
Attention Joe Palo	Date 11/30/2009

Urgent Please comment Please review For your information

Total pages, including cover: 1

COMMENTS

Re: Mountain Iron WWTF

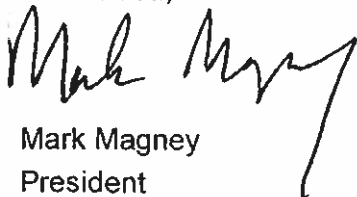
Dear Joe,

We are offering the following price quotation to complete additional concrete ceiling repair in the Pretreatment Building. We have been requested to provide a price quote to repair a 4 ft. X 15 ft. area in the ceiling similar to the repair methods shown on Sections A through D on Sheet S3.01.

Labor:	Remove Concrete	\$	1,296.00
	Shore & Form underside of ceiling	\$	600.00
	Install Rebar	\$	864.00
	Place Concrete	\$	288.00
Materials:	Concrete Material	\$	172.00
	Rebar and epoxy	\$	420.00
	Forming and Shoring Materials	\$	620.00
Subcontractor:	Sawcut 1.5" around perimeter	\$	310.00
	Core Drill 12 - 6" holes	\$	900.00
Subtotal		\$	5,470.00
Markup		\$	699.50
Bond & Insurance Premiums		\$	92.54
Total		\$	6,262.04

Please review and let us know whether or not the cost is acceptable by signing below.

Thank You,


Mark Magney
President

Accepted By _____ Date _____



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
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8878 Main Street • P.O. Box 261
Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

December 16, 2009

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

Re: City of Mountain Iron
WWTP Improvements
MI09-02

Dear Mr. Wainio;

Enclosed please find Change Order #3 for the above referenced project.

This change order is recommended in order to complete this project. Change Order #3 increases the Contract amount by **\$922.38**. This Change Order is necessary to prevent a future insurance liability and to increase the safety of the entrance to each clarifier at the Wastewater Treatment Plant. This Change Order will correct a safety concern.

Should the change order be approved at the December 21, 2009 council meeting, please sign and date three (3) copies of Change Order #3 and return all copies to our office. We will forward the change order to the Contractor for signatures, and return a fully executed copy to your office

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.

For → Joseph Palo, P.E.
Enclosures

CHANGE ORDER

Order No. 3

Date: 12/16/09

NAME OF PROJECT/PROJECT NO: Wastewater Treatment Plant Improvements/MI09-02

OWNER: City of Mountain Iron

CONTRACTOR: Magney Construction, Inc.
1401 Park Road, Chanhassen, MN 55317

ENGINEER: Benchmark Engineering, Inc.

Reason for Change Order:

The equipment supplied for this project requires a small modification to properly provide access into the clarifiers. Without this change order a small gap will be left between the clarifier bridge and the door.

The following changes are hereby made to the CONTRACT DOCUMENTS:

A total of **\$922.38** is added to the final contract amount. Please refer to the attached summary for a detailed breakdown of approximate additional quantities.

Change to CONTRACT PRICE:

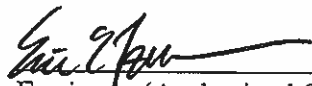
Original CONTRACT PRICE \$ 578,600.00

Current CONTRACT PRICE adjusted by previous CHANGE ORDERS \$ 584,682.04

The CONTRACT PRICE due to this CHANGE ORDER will be increased by: \$ 922.38

The new CONTRACT PRICE including this CHANGE ORDER will be: \$ 585,604.42

Final Contract Completion Date: May 31, 2010

Recommended by:  12-16-09
Engineer (Authorized Signature) Date:

Approved by: _____
Owner (Authorized Signature) Date:

Accepted by: _____
Contractor (Authorized Signature) Date:

PRICE QUOTATION

MAGNEY CONSTRUCTION, INC.

1401 Park Road
 Chanhassen, MN 55317

Phone (952)474-1674
 Fax (952)474-1679

SEND TO Company name Benchmark Engineering	From Mark Magney
Attention Joe Palo	Date 11/16/2009

Urgent Please comment Please review For your information

Total pages, including cover: 2

COMMENTS

Re: Mountain Iron WWTF

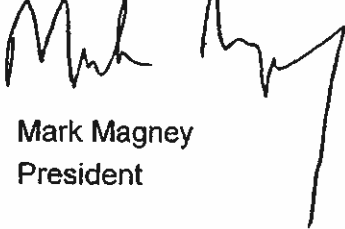
Dear Joe,

We are offering the following price quotation to furnish and install grating between the end of the clarifier bridge, provided by Walker, and the exterior wall. Walker did not provide this grating and the existing Steel Checkered plate will not work correctly at this location. The following price is a total for both clarifiers:

Labor:	Installation of Grating and support angles	\$	288.00
Materials:	Grating and support angles	\$	481.00
	Sales Tax on materials	\$	33.07
Subtotal		\$	802.07
Markup		\$	120.31
Bond & Insurance Premiums		\$	-
Total		\$	922.38

Please review and let us know whether or not the cost is acceptable by signing below.

Thank You,



Mark Magney
 President

Accepted By _____ Date _____

Mark Magney

From: Bob Fox [bob@metro-mfg.com]
Sent: Monday, November 16, 2009 1:40 PM
To: 'Mark Magney'
Subject: RE: Mountain Iron WWTF

Mark,

Please see pricing below:

- 1.) (2) pcs of grating.
- 2.) (2) 5" x 5" x 3/8" alum angle, x 36" long.
- 3.) (10) 1/4" SS exp anchors.
- 4.) Courier to Magney Construction.

Cost: \$481.00 +tx

Please let me know if you need anything else. Thanks Mark.

Best Regards,

Bob Fox
Metro Mfg. Inc.
465 Kenny Rd
St. Paul, MN 55130
651.776.5455
651.776.2095 (fax)

-----Original Message-----

From: Mark Magney [mailto:mark@magneyconstruction.com]
Sent: Friday, November 13, 2009 7:57 AM
To: 'Bob Fox'
Subject: Mountain Iron WWTF

Hi Bob,

We are requesting a price on a few pieces of aluminum grating and support angle. See attached.

Thanks,

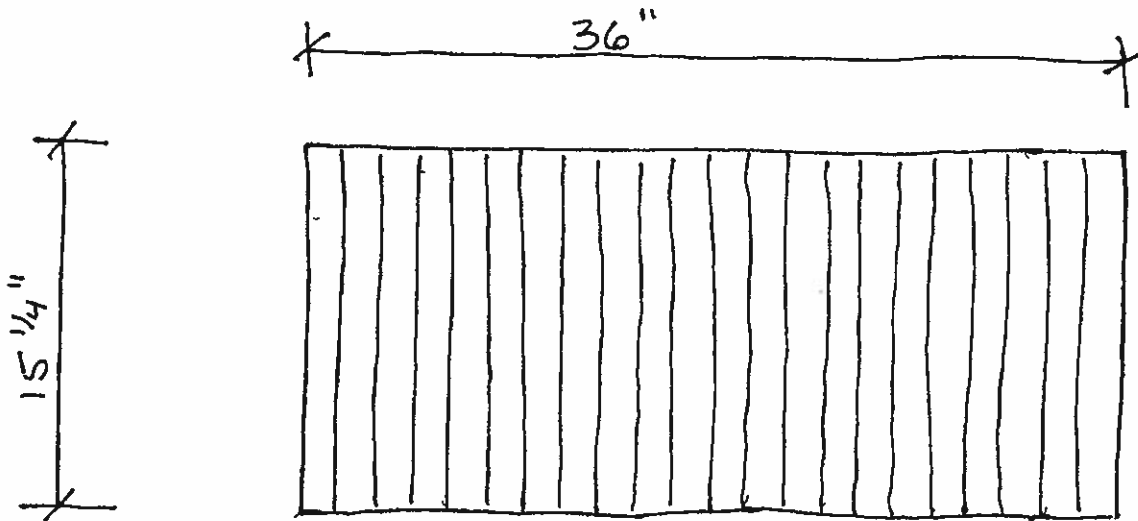
Mark Magney, PE
President

Magney Construction, Inc.
1401 Park Rd.
Chanhassen, MN 55317

Office Phone: (952) 474-1674
Cell Phone: (612) 865-9297
email: mark@magneyconstruction.com

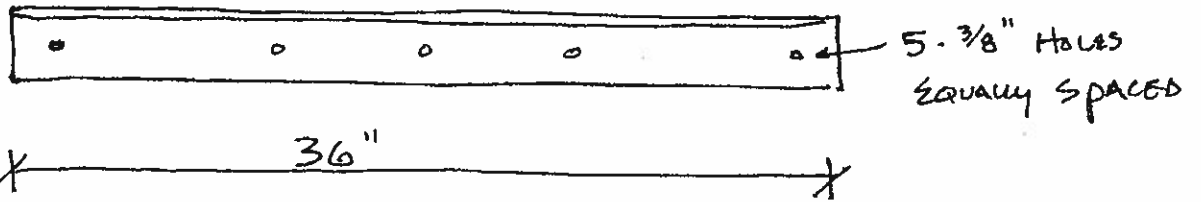
Electronic Privacy Notice

MOUNTAIN IRON WWTP : ADD'L GRATING AT CLARIFIER BRIDGE 11/13/09



1/4" ALUMINUM I-BAR GRATING.

Z REQ'D



4 1/2" X 4 1/2" X 1/4" ALUMINUM ANGLE

Z REQ'D

10 - 1/4" X 4" S.S. EXP. ANCHORS.



BENCHMARK ENGINEERING, INC.

CIVIL AND ENVIRONMENTAL ENGINEERING • PLANNING
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8878 Main Street • P.O. Box 261
Mt. Iron, MN 55768-0261
tel: 218-735-8914 • fax: 218-735-8923
email: info@bm-eng.com

December 16, 2009

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

Re: City of Mountain Iron
WWTP Improvements
MI09-02

Dear Mr. Wainio;

Enclosed please find a quote from Magney Construction for the above referenced project.

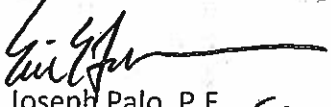
This Quote is to rehabilitate the existing fiberglass domes that cover the Clarifiers. This project included a \$30,000 allowance for repairing these domes. Magney Construction is proposing to clean the surfaces of the domes, prime the domes and then to provide an epoxy and urethane coating to the domes. A subcontractor would complete this work, UP (United Painting and Sandblasting, Inc.).

If this rehabilitation of the domes is acceptable to the City of Mountain Iron it will be completed in the Spring of 2010. Magney provided Benchmark Engineering, Inc. a quotation to do this work for **\$11,322.15**. This work would not increase the Contract Amount.

If this work is acceptable please approve at your next regularly scheduled council meeting. After approval our office will sign the quote and authorize the contractor to proceed with work.

If you have any questions or need additional information please do not hesitate to contact me.

Sincerely,
Benchmark Engineering, Inc.


Joseph Palo, P.E.

Enclosures *FOR*

PRICE QUOTATION

MAGNEY CONSTRUCTION, INC.

1401 Park Road
Chanhassen, MN 55317

Phone (952)474-1674
Fax (952)474-1679

SEND TO Company name Benchmark Engineering	From Mark Magney
Attention Joe Palo	Date 11/30/2009

Urgent
 Please comment
 Please review
 For your information

Total pages, including cover: 2

COMMENTS

Re: Mountain Iron WWTF

Dear Joe,

We are offering the following price quotation to repair the exterior surfaces of the Clarifier Domes as per the attached price quotation from our Painting Subcontractor, United Painting.

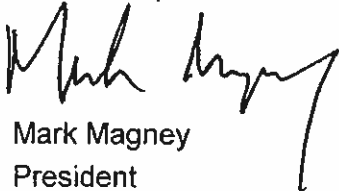
Subcontractor: See attached price quote from United Painting	\$	10,783.00
Subtotal	\$	10,783.00
Markup	\$	539.15
Bond & Insurance Premiums	\$	-
Total	\$	11,322.15

If accepted, this work would not be completed until Spring of 2010 when the average daily temperature is above 50 degrees F.

The Contract Allowance for this work is \$30,000.

Please review and let us know whether or not the cost is acceptable by signing below.

Thank You,


 Mark Magney
 President

Accepted By _____ Date _____

**UP UNITED PAINTING
& SANDBLASTING INC.**

INDUSTRIAL - MUNICIPAL

4908 Canosia Road - Saginaw, MN 55779-9792 - Phone (218) 729-7100 - Fax (218) 729-7222

November 24, 2009

RECEIVED
NOV 27 2009

Magney Construction
1401 Park Road
Chanhassen, MN 55317

Re: Wastewater Treatment Plant
Mt. Iron, MN

Dear Mark,

We will provide Labor, Materials and Equipment to prepare and repaint the 2 Fiberglass Clarifier Covers as follows.

Surface Prep: Remove dirt, grease mildew and mold with Detergents/Bleach and Pressure Washing.
Dull any glossy areas by Power Tool Clean.

Prime Coat: 1 coat SW Macropoxy 646 Epoxy at 5 to 6 mils.
Backroll to work into rough surfaces and to cover exposed Glass Fibers.

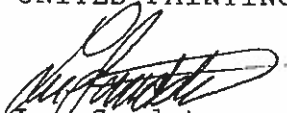
Int Coat: 1 coat SW Macropoxy 646 Epoxy at 5 to 6 mils.

Finish Coat: 1 coat SW Corothane 1 Aliphatic Urethane at 2 to 3 mils.

LUMP SUM: 10,783.00

Sincerely,

UNITED PAINTING & SANDBLASTING, INC.


Lee Sandstrom

Member: Finishing Contractors Association
Equal Opportunity Employer

COUNCIL LETTER 122109-IVF1

LIBRARY BOARD

LIBRARY SUBSTITUTE POSITION

DATE: December 16, 2009

FROM: Library Board

Sally Peterangelo
Library Director

Craig J. Wainio
City Administrator

The Library Board is recommending the hiring of Tracy Kenyon for the Library Substitute position. This hiring is contingent on Ms. Kenyon passing a background check, a physical and a pre-employment drug and alcohol test.

COUNCIL LETTER 122109-IVG1

PERSONNEL COMMITTEE

POLICY AMENDMENT

DATE: December 16, 2009

FROM: Personnel Committee

Craig J. Wainio
City Administrator

The Personnel Committee is recommending the changes to the hiring policy as presented in the enclosed amended policy.

POLICY FOR APPOINTMENT OF FIRE DEPARTMENT OFFICERS

Policy Number 2008-02

**Adopted February 4, 2008
Amended December 21, 2009**

PURPOSE

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

NON-DISCRIMINATION

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

APPOINTMENT RESPONSIBILITIES

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

APPOINTMENT TERMS

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

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

FILING FOR POSITION

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

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

ORAL INTERVIEW

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

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

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

COUNCIL LETTER 122109-VA-C

ADMINISTRATION

2010 BUDGET

DATE: December 16, 2009

FROM: Craig J. Wainio
City Administrator

At this meeting, the City Council is required to adopt the 2010 budget and set the levy for 2010.

First, the City Council needs to adopt the 2010 Budget. Enclosed is a copy of the proposed budget for 2010.

Secondly, the City needs to adopt a Resolution setting the general levy for 2010. Enclosed is Resolution Number 53-09 approving the general levy. This Resolution reflects the levy change as discussed at the previous City Council meetings.

Thirdly, the City Council needs to adopt Resolution Number 54-09 setting the market rate levy for 2010. The market rate levy is used to cover the payments for the community center bonds. Resolution Number 54-09 reflects the amount needed to cover the bond payment for 2009.

COUNCIL LETTER 120709-III

ADMINISTRATION

TRUTH IN TAXATION HEARING

DATE: December 2, 2009
FROM: Craig J. Wainio
City Administrator

As required by State Law, the City of Mountain Iron must hold a truth-in-taxation hearing to allow comment on the City's proposed budget. In this past there has been confusion, this is not a hearing on valuations or a property owner's total tax bill only on the City of Mountain Iron's budget.

There are a couple of factors to be aware that have influenced the City's portion of the levy for individual property owners. One, in the past there has been excess taconite tax monies that were used to "buy down" individual property taxes. This funding was allocated to school levies, once that was used any excess would be used for the City's levy. Second, through the Governor's unallotment aid programs that were used to again "buy down" individual property taxes have been effected which also affects the property tax bills.

Residential Valuation	Increase likely with a Zero Levy increase	Additional due to proposed levy of 5%
\$50,000	\$70	\$7
\$100,000	\$115	\$17
\$150,000	\$175	\$28
\$200,000	\$234	\$40
\$250,000	\$296	\$50

Due to the "buy down" from the excess school levy funding, the 2009 property tax levels were artificially low and if individuals look at previous years proposed taxes they would see a distinct correlation to what is happening now. Even if the City of Mountain

Residential Valuation	2006 Tax	2007 Tax	2008 Tax	2009 Tax	Proposed 2010
\$50,000	\$227	\$247	\$210	\$179	\$236
\$100,000	\$507	\$551	\$476	\$409	\$541
\$150,000	\$845	\$916	\$801	\$696	\$899
\$200,000	\$1183	\$1282	\$1126	\$983	\$1257
\$250,000	\$1521	\$1647	\$1451	\$1270	\$1614

Iron provided for a zero increase in the levy, there is a good probability that individual property taxes would increase as presented in the table. The second table looks at the rough history of property taxes for the City as provided through the League of Minnesota Cities web site, from these figure you can see affect of the 2009's "buy down".

Also enclosed, is the City of Mountain Iron 2010 proposed budget as modifies at the Committee-of-the-Whole meeting. Budget and Levy adoption will take place at the second meeting in December.

**2010 BUDGET SUMMARY
CITY OF MOUNTAIN IRON**

EXPENDITURES	2009 Budget	2010 Budget	Difference	Percent
Administration	\$ 580,300.00	\$ 601,000.00	\$ 20,700.00	3.6%
Public Safety	\$ 555,200.00	\$ 580,500.00	\$ 25,300.00	4.6%
Public Works	\$ 840,000.00	\$ 865,000.00	\$ 25,000.00	3.0%
Culture and Rec	\$ 396,500.00	\$ 400,500.00	\$ 4,000.00	1.0%
General Government	\$ 1,238,000.00	\$ 1,033,057.00	\$ (204,943.00)	-16.6%
TOTAL	\$ 3,610,000.00	\$ 3,480,057.00	\$ (129,943.00)	-3.6%

REVENUE

Taxes	\$ 339,092.00	\$ 547,086.00	\$ 207,994.00	61.3%
Intergovernmental Aid	\$ 2,316,762.00	\$ 1,931,268.00	\$ (385,494.00)	-16.6%
General Revenue	\$ 213,000.00	\$ 213,000.00	\$ -	0.0%
TOTAL	\$ 2,868,854.00	\$ 2,691,354.00	\$ (177,500.00)	-6.2%

GENERAL LEVY \$ 751,146.00 \$ 788,703.00 \$ 37,557.00 5.0%

2010 BUDGET SUMMARY CITY OF MOUNTAIN IRON

REVENUE

GENERAL REVENUE	2009 Budget	2010 Budget	Difference	Percent
Lic. & Permits	\$ 25,000.00	\$ 25,000.00	\$ -	0.0%
Charges for Service	\$ 50,000.00	\$ 50,000.00	\$ -	0.0%
Fines	\$ 11,000.00	\$ 11,000.00	\$ -	0.0%
Interest	\$ 32,000.00	\$ 32,000.00	\$ -	0.0%
Refunds	\$ 90,000.00	\$ 90,000.00	\$ -	0.0%
General	\$ 5,000.00	\$ 5,000.00	\$ -	0.0%
Subtotal	\$ 213,000.00	\$ 213,000.00	\$ -	0.0%

INTERGOVERNMENTAL REVENUE

Local Government Aid	\$ 1,208,124.00	\$ 1,156,268.00	\$ (51,856.00)	-4.3%
Taconite Production Tax	\$ 620,000.00	\$ 400,000.00	\$ (220,000.00)	-35.5%
Taconite Municipal Aid	\$ 351,638.00	\$ 250,000.00	\$ (101,638.00)	-28.9%
Mining Effects Tax	\$ 112,000.00	\$ 100,000.00	\$ (12,000.00)	-10.7%
Other	\$ 25,000.00	\$ 25,000.00	\$ -	0.0%
Subtotal	\$ 2,316,762.00	\$ 1,931,268.00	\$ (385,494.00)	-16.6%

TAXES

Tax Levy	\$ 751,146.00	\$ 788,703.00	\$ 37,557.00	5.0%
Special Levies	\$ 207,407.00	\$ 418,275.00	\$ 210,868.00	100.0%
Market Rate Levy	\$ 81,685.00	\$ 83,811.00	\$ 2,126.00	2.6%
Misc. Taxes	\$ 30,000.00	\$ 25,000.00	\$ (5,000.00)	-16.7%
Franchise	\$ 20,000.00	\$ 20,000.00	\$ -	0.0%
Subtotal	\$ 1,090,238.00	\$ 1,335,789.00	\$ 245,551.00	22.5%
Total	\$ 3,620,000.00	\$ 3,480,057.00	\$ (139,943.00)	-3.9%

**2010 BUDGET
CITY OF MOUNTAIN IRON
REVENUE**

TAXES	2007		2008		2009		2009		2010	
	ACTUAL		ACTUAL		BUDGET		YTD		BUDGET	%
Tax Levy	\$ 863,610.00	\$	864,267.00	\$	751,146.00	\$	351,749.00	\$	788,703.00	5.0%
Special Levies	\$ -	\$	-	\$	207,407.00	\$	-	\$	418,275.00	101.7%
Bond Levy	\$ 85,536.00	\$	83,111.00	\$	81,685.00	\$	145,682.00	\$	83,811.00	2.6%
Misc Taxes	\$ 16,754.00	\$	22,501.00	\$	30,000.00	\$	9,749.00	\$	25,000.00	-16.7%
Franchise	\$ 23,207.00	\$	23,751.00	\$	20,000.00	\$	17,298.00	\$	20,000.00	0.0%
TOTAL	\$ 989,107.00	\$	993,630.00	\$	1,090,238.00	\$	524,478.00	\$	1,335,789.00	22.5%

INTERGOVERNMENTAL REVENUE

LGA	\$ 718,350.00	\$	699,814.00	\$	1,208,124.00	\$	573,086.00	\$	1,156,268.00	-4.3%
Homestead Credit	\$ -	\$	111,712.00	\$	-	\$	-	\$	100,000.00	
Tac. Prod Aid	\$ 603,196.00	\$	587,386.00	\$	620,000.00	\$	721,940.00	\$	400,000.00	-35.5%
Tac. Aid	\$ 391,189.00	\$	381,145.00	\$	351,638.00	\$	378,973.00	\$	250,000.00	-28.9%
Mining Effects	\$ 117,333.00	\$	112,233.00	\$	112,000.00	\$	55,338.00	\$	100,000.00	-10.7%
Misc. Aid	\$ 178,573.00	\$	44,248.00	\$	25,000.00	\$	4,265.00	\$	25,000.00	0.0%
TOTAL	\$ 2,008,641.00	\$	1,936,538.00	\$	2,316,762.00	\$	1,733,602.00	\$	2,031,268.00	-12.3%

GENERAL REVENUE

Lic. & Permits	\$ 27,842.00	\$	98,810.00	\$	25,000.00	\$	23,298.00	\$	25,000.00	0.0%
Charges for Service	\$ 170,780.00	\$	57,300.00	\$	50,000.00	\$	86,349.00	\$	50,000.00	0.0%
Fines	\$ 13,866.00	\$	18,012.00	\$	11,000.00	\$	10,858.00	\$	11,000.00	0.0%
Interest	\$ 49,977.00	\$	49,776.00	\$	32,000.00	\$	17,765.00	\$	32,000.00	0.0%
Refunds	\$ 21,559.00	\$	98,993.00	\$	90,000.00	\$	80,884.00	\$	90,000.00	0.0%
General	\$ 296.00	\$	634.00	\$	5,000.00	\$	654.00	\$	5,000.00	0.0%
TOTAL	\$ 284,320.00	\$	323,525.00	\$	213,000.00	\$	219,808.00	\$	213,000.00	0.0%
TOTAL	\$ 3,282,068.00	\$	3,253,693.00	\$	3,620,000.00	\$	2,477,888.00	\$	3,580,057.00	-1.1%

**2010 BUDGET SUMMARY
CITY OF MOUNTAIN IRON
EXPENDITURES**

DEPARTMENT	2009 Budget	2010 Budget	Difference	Percent
City Council	\$ 26,000.00	\$ 26,000.00	\$ -	0.0%
Administration	\$ 499,000.00	\$ 512,000.00	\$ 13,000.00	2.6%
Election	\$ -	\$ 5,000.00	\$ 5,000.00	#DIV/0!
Assessing	\$ 31,000.00	\$ 32,000.00	\$ 1,000.00	3.2%
Planning & Zoning	\$ 24,300.00	\$ 26,000.00	\$ 1,700.00	7.0%
Sheriffs	\$ 440,000.00	\$ 460,000.00	\$ 20,000.00	4.5%
Fire Protection	\$ 90,700.00	\$ 93,000.00	\$ 2,300.00	2.5%
Emergency Management	\$ 6,000.00	\$ 6,000.00	\$ -	0.0%
Animal Control	\$ 18,500.00	\$ 21,500.00	\$ 3,000.00	16.2%
Streets	\$ 665,000.00	\$ 685,000.00	\$ 20,000.00	3.0%
Buildings	\$ 175,000.00	\$ 180,000.00	\$ 5,000.00	2.9%
Campground	\$ 54,500.00	\$ 54,500.00	\$ -	0.0%
Recreation	\$ 205,000.00	\$ 205,000.00	\$ -	0.0%
Government	\$ 235,000.00	\$ 244,648.00	\$ 9,648.00	4.1%
Library	\$ 137,000.00	\$ 141,000.00	\$ 4,000.00	2.9%
Transfers	\$ 1,003,000.00	\$ 788,409.00	\$ (214,591.00)	-21.4%
Total	\$ 3,610,000.00	\$ 3,480,057.00	\$ (129,943.00)	-3.6%

**2010 BUDGET
CITY OF MOUNTAIN IRON
GOVERNMENT OPERATIONS**

CITY COUNCIL	2007		2008		2009		2010		%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	BUDGET			
Council Salaries	\$ 14,400.00	\$ 14,400.00	\$ 20,400.00	\$ 17,000.00	\$ 20,400.00	\$ 20,400.00	0%		
Other	\$ 8,184.00	\$ 4,215.00	\$ 5,600.00	\$ 3,800.00	\$ 5,600.00	\$ 5,600.00	0%		
TOTAL	\$ 22,584.00	\$ 18,615.00	\$ 26,000.00	\$ 20,800.00	\$ 26,000.00	\$ 26,000.00	0%		

ADMINISTRATION

Salaries	\$ 205,481.00	\$ 208,972.00	\$ 206,000.00	\$ 149,933.00	\$ 210,000.00	2%
Payroll Taxes	\$ 30,447.00	\$ 31,213.00	\$ 32,000.00	\$ 23,744.00	\$ 32,000.00	0%
Insurance-Group	\$ 62,658.00	\$ 62,161.00	\$ 70,000.00	\$ 49,745.00	\$ 72,000.00	3%
Insurance-General	\$ 46,404.00	\$ 39,541.00	\$ 60,000.00	\$ 1,416.00	\$ 60,000.00	0%
Independent Audit	\$ 15,000.00	\$ 15,000.00	\$ 16,000.00	\$ 20,900.00	\$ 17,000.00	6%
Engineering Fees	\$ 25,205.00	\$ 55,898.00	\$ 40,000.00	\$ 39,284.00	\$ 40,000.00	0%
Legal Fees	\$ 51,146.00	\$ 52,937.00	\$ 40,000.00	\$ 33,012.00	\$ 42,000.00	5%
Communications	\$ 14,320.00	\$ 13,898.00	\$ 10,000.00	\$ 13,141.00	\$ 12,000.00	20%
Supplies	\$ 4,011.00	\$ 5,394.00	\$ 5,000.00	\$ 2,502.00	\$ 5,000.00	0%
Operations	\$ 27,450.00	\$ 22,955.00	\$ 20,000.00	\$ 33,654.00	\$ 22,000.00	10%
TOTAL	\$ 482,122.00	\$ 507,969.00	\$ 499,000.00	\$ 367,331.00	\$ 512,000.00	3%

ELECTION

Salaries	\$ -	\$ 2,476.00	\$ -	\$ -	\$ 4,000.00	###
Operations	\$ -	\$ 984.00	\$ -	\$ -	\$ 1,000.00	###
TOTAL	\$ -	\$ 3,460.00	\$ -	\$ -	\$ 5,000.00	0%

2007 2008 2009 2009 2010

**2010 BUDGET
CITY OF MOUNTAIN IRON
GOVERNMENT OPERATIONS**

ASSESSING	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	%
Contract Services	\$ 29,783.00	\$ 30,744.00	\$ 30,000.00	\$ 30,950.00	\$ 31,000.00	3%
Operations	\$ 267.00	\$ 884.00	\$ 1,000.00	\$ -	\$ 1,000.00	0%
TOTAL	\$ 30,050.00	\$ 31,628.00	\$ 31,000.00	\$ 30,950.00	\$ 32,000.00	3%

PLANNING & ZONING

Salaries	\$ 14,708.00	\$ 42,873.00	\$ 18,000.00	\$ 13,706.00	\$ 19,000.00	6%
Payroll Taxes	\$ 1,625.00	\$ 5,483.00	\$ 2,500.00	\$ 1,521.00	\$ 2,500.00	0%
Operations	\$ 4,722.00	\$ 9,433.00	\$ 3,800.00	\$ 3,958.00	\$ 4,500.00	18%
TOTAL	\$ 21,055.00	\$ 57,789.00	\$ 24,300.00	\$ 19,185.00	\$ 26,000.00	7%

ADMINISTRATION

TOTAL	\$ 555,811.00	\$ 619,461.00	\$ 580,300.00	\$ 438,266.00	\$ 601,000.00	4%
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**2010 BUDGET
CITY OF MOUNTAIN IRON
PUBLIC SAFETY**

POLICE PROTECTION	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Contract Services	\$ 435,382.00	\$ 469,837.00	\$ 430,000.00	\$ 322,501.00	\$ 450,000.00	5%
Other Expenditures	\$ 8,860.00	\$ 6,556.00	\$ 10,000.00	\$ 5,557.00	\$ 10,000.00	0%
TOTAL	\$ 444,242.00	\$ 476,393.00	\$ 440,000.00	\$ 328,058.00	\$ 460,000.00	5%

FIRE PROTECTION	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 21,923.00	\$ 16,240.00	\$ 19,000.00	\$ 12,038.00	\$ 20,000.00	5%
Payroll Taxes	\$ 2,910.00	\$ 5,158.00	\$ 2,100.00	\$ 1,060.00	\$ 3,000.00	43%
Training	\$ 13,428.00	\$ 12,255.00	\$ 20,000.00	\$ 3,760.00	\$ 20,000.00	0%
Maintenance	\$ 9,979.00	\$ 19,445.00	\$ 10,000.00	\$ 7,820.00	\$ 10,000.00	0%
Operations	\$ 19,686.00	\$ 25,366.00	\$ 16,600.00	\$ 14,751.00	\$ 17,000.00	2%
Firemen's Relief	\$ 30,981.00	\$ 22,311.00	\$ 23,000.00	\$ 2,000.00	\$ 23,000.00	0%
TOTAL	\$ 98,907.00	\$ 100,775.00	\$ 90,700.00	\$ 41,429.00	\$ 93,000.00	3%

EMERGENCY MANAGEMENT	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Plan Update	\$ -	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	0%
Operations	\$ 100.00	\$ 25.00	\$ 1,000.00	\$ 75.00	\$ 1,000.00	0%
TOTAL	\$ 100.00	\$ 25.00	\$ 6,000.00	\$ 75.00	\$ 6,000.00	0%

ANIMAL CONTROL	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Contract Services	\$ 12,000.00	\$ 12,000.00	\$ 18,000.00	\$ 15,000.00	\$ 21,000.00	17%
Operations	\$ 212.00	\$ 325.00	\$ 500.00	\$ 55.00	\$ 500.00	0%
TOTAL	\$ 12,212.00	\$ 12,325.00	\$ 18,500.00	\$ 15,055.00	\$ 21,500.00	16%

PUBLIC SAFETY	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
TOTAL	\$ 555,461.00	\$ 589,518.00	\$ 555,200.00	\$ 384,617.00	\$ 580,500.00	5%

**2010 BUDGET
CITY OF MOUNTAIN IRON
PUBLIC WORKS**

STREETS	2007		2008		2009		2009		2010		%
	ACTUAL	BUDGET	ACTUAL	BUDGET	BUDGET	YTD	BUDGET	BUDGET			
Salaries	\$ 329,120.00	\$ 360,000.00	\$ 356,415.00	\$ 360,000.00	\$ 360,000.00	\$ 253,948.00	\$ 360,000.00	\$ 360,000.00	0%		
Payroll Taxes	\$ 47,851.00	\$ 50,000.00	\$ 51,706.00	\$ 50,000.00	\$ 50,000.00	\$ 40,738.00	\$ 50,000.00	\$ 50,000.00	0%		
Insurance-Group	\$ 141,938.00	\$ 110,000.00	\$ 148,894.00	\$ 110,000.00	\$ 110,000.00	\$ 83,230.00	\$ 120,000.00	\$ 120,000.00	9%		
Utilities	\$ 46,201.00	\$ 50,000.00	\$ 53,225.00	\$ 50,000.00	\$ 50,000.00	\$ 37,618.00	\$ 54,000.00	\$ 54,000.00	8%		
Maintenance	\$ 95,047.00	\$ 50,000.00	\$ 87,812.00	\$ 50,000.00	\$ 50,000.00	\$ 42,046.00	\$ 54,000.00	\$ 54,000.00	8%		
Supplies	\$ 31,361.00	\$ 25,000.00	\$ 43,453.00	\$ 25,000.00	\$ 25,000.00	\$ 17,580.00	\$ 27,000.00	\$ 27,000.00	8%		
Operations	\$ 7,205.00	\$ 20,000.00	\$ 15,655.00	\$ 20,000.00	\$ 20,000.00	\$ 42,746.00	\$ 20,000.00	\$ 20,000.00	0%		
TOTAL	\$ 698,723.00	\$ 665,000.00	\$ 757,160.00	\$ 665,000.00	\$ 665,000.00	\$ 517,906.00	\$ 685,000.00	\$ 685,000.00	3%		

BUILDINGS

Salaries	\$ 71,591.00	\$ 64,812.00	\$ 62,000.00	\$ 62,000.00	\$ 44,671.00	\$ 63,000.00	2%
Payroll Taxes	\$ 11,222.00	\$ 9,322.00	\$ 10,000.00	\$ 10,000.00	\$ 7,651.00	\$ 11,000.00	10%
Insurance-Group	\$ 25,342.00	\$ 27,817.00	\$ 21,000.00	\$ 21,000.00	\$ 19,002.00	\$ 23,000.00	10%
Utilities	\$ 45,601.00	\$ 40,909.00	\$ 45,000.00	\$ 45,000.00	\$ 22,774.00	\$ 45,000.00	0%
Communications	\$ 1,210.00	\$ 1,338.00	\$ 2,000.00	\$ 2,000.00	\$ 1,028.00	\$ 2,000.00	0%
Supplies	\$ 21,443.00	\$ 31,611.00	\$ 15,000.00	\$ 15,000.00	\$ 24,519.00	\$ 16,000.00	7%
Operations	\$ 32,759.00	\$ 78,942.00	\$ 20,000.00	\$ 20,000.00	\$ 17,365.00	\$ 20,000.00	0%
TOTAL	\$ 209,168.00	\$ 254,751.00	\$ 175,000.00	\$ 175,000.00	\$ 137,010.00	\$ 180,000.00	3%

PUBLIC WORKS

TOTAL	\$ 907,891.00	\$ 1,011,911.00	\$ 840,000.00	\$ 840,000.00	\$ 654,916.00	\$ 865,000.00	3%
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**2010 BUDGET
CITY OF MOUNTAIN IRON
CULTURE AND RECREATION**

	2007		2008		2009		2010		%
	ACTUAL	BUDGET	ACTUAL	BUDGET	YTD	BUDGET	BUDGET		
CAMPGROUND									
Salaries	\$ 14,676.00	\$ 16,842.00	\$ 21,000.00	\$ 21,000.00	\$ 10,589.00	\$ 21,000.00	\$ 21,000.00	0%	
Payroll Taxes	\$ 1,393.00	\$ 1,442.00	\$ 2,000.00	\$ 2,000.00	\$ 2,227.00	\$ 2,000.00	\$ 2,000.00	0%	
Insurance-Group	\$ 1,401.00	\$ 985.00	\$ 5,000.00	\$ 5,000.00	\$ 344.00	\$ 3,000.00	\$ 3,000.00	-40%	
Utilities	\$ 7,568.00	\$ 7,282.00	\$ 7,000.00	\$ 7,000.00	\$ 5,729.00	\$ 7,500.00	\$ 7,500.00	7%	
Operations	\$ 34,559.00	\$ 35,923.00	\$ 18,500.00	\$ 18,500.00	\$ 7,669.00	\$ 20,000.00	\$ 20,000.00	8%	
Advertising	\$ 166.00	\$ 509.00	\$ 1,000.00	\$ 1,000.00	\$ 100.00	\$ 1,000.00	\$ 1,000.00	0%	
TOTAL	\$ 59,763.00	\$ 62,983.00	\$ 54,500.00	\$ 54,500.00	\$ 26,658.00	\$ 54,500.00	\$ 54,500.00	0%	

	2007		2008		2009		2010		%
	ACTUAL	BUDGET	ACTUAL	BUDGET	YTD	BUDGET	BUDGET		
RECREATION DEPARTMENT									
Salaries	\$ 76,867.00	\$ 62,468.00	\$ 107,000.00	\$ 107,000.00	\$ 58,127.00	\$ 107,000.00	\$ 107,000.00	0%	
Payroll Taxes	\$ 9,990.00	\$ 8,010.00	\$ 13,000.00	\$ 13,000.00	\$ 7,265.00	\$ 13,000.00	\$ 13,000.00	0%	
Insurance-Group	\$ 22,831.00	\$ 23,245.00	\$ 25,000.00	\$ 25,000.00	\$ 13,191.00	\$ 25,000.00	\$ 25,000.00	0%	
Utilities	\$ 11,792.00	\$ 10,790.00	\$ 11,000.00	\$ 11,000.00	\$ 6,791.00	\$ 11,000.00	\$ 11,000.00	0%	
Maintenance	\$ 11,807.00	\$ 31,351.00	\$ 9,000.00	\$ 9,000.00	\$ 9,165.00	\$ 9,000.00	\$ 9,000.00	0%	
Operations	\$ 22,838.00	\$ 27,843.00	\$ 22,000.00	\$ 22,000.00	\$ 13,597.00	\$ 22,000.00	\$ 22,000.00	0%	
Baseball/Sofball	\$ 3,089.00	\$ 2,455.00	\$ 6,000.00	\$ 6,000.00	\$ 4,421.00	\$ 6,000.00	\$ 6,000.00	0%	
Special Events	\$ 11,897.00	\$ 17,736.00	\$ 12,000.00	\$ 12,000.00	\$ 11,308.00	\$ 12,000.00	\$ 12,000.00	0%	
TOTAL	\$ 171,111.00	\$ 183,898.00	\$ 205,000.00	\$ 205,000.00	\$ 123,865.00	\$ 205,000.00	\$ 205,000.00	0%	

	2007		2008		2009		2010		%
	ACTUAL	BUDGET	ACTUAL	BUDGET	YTD	BUDGET	BUDGET		
LIBRARY									
Salaries	\$ 63,024.00	\$ 66,014.00	\$ 80,000.00	\$ 80,000.00	\$ 47,222.00	\$ 80,000.00	\$ 80,000.00	0%	
Payroll Taxes	\$ 9,973.00	\$ 11,048.00	\$ 12,000.00	\$ 12,000.00	\$ 7,777.00	\$ 12,000.00	\$ 12,000.00	0%	
Insurance-Group	\$ 12,848.00	\$ 16,318.00	\$ 10,000.00	\$ 10,000.00	\$ 12,502.00	\$ 13,000.00	\$ 13,000.00	30%	
Utilities	\$ 7,615.00	\$ 9,383.00	\$ 8,000.00	\$ 8,000.00	\$ 3,442.00	\$ 9,000.00	\$ 9,000.00	13%	
Books	\$ 9,469.00	\$ 11,608.00	\$ 17,000.00	\$ 17,000.00	\$ 8,770.00	\$ 17,000.00	\$ 17,000.00	0%	
Communications	\$ 5,188.00	\$ 5,052.00	\$ 5,000.00	\$ 5,000.00	\$ 1,885.00	\$ 5,000.00	\$ 5,000.00	0%	
Operations	\$ 8,151.00	\$ 12,309.00	\$ 5,000.00	\$ 5,000.00	\$ 2,128.00	\$ 5,000.00	\$ 5,000.00	0%	
TOTAL	\$ 116,268.00	\$ 131,732.00	\$ 137,000.00	\$ 137,000.00	\$ 83,726.00	\$ 141,000.00	\$ 141,000.00	3%	

	2007	2008	2009	2010	%	
CULTURE AND RECREATION						
TOTAL	\$ 347,142.00	\$ 378,613.00	\$ 396,500.00	\$ 234,249.00	\$ 400,500.00	1%

**2010 BUDGET
CITY OF MOUNTAIN IRON
GENERAL GOVERNMENT**

GENERAL GOVERNMENT	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Cash Short and Over	\$ 7.00	\$ (15.00)	\$ 10.00	\$ (4.00)	\$ 10.00	0%
Cemeteries	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	0%
Retire/Pension Contrib.	\$ 110,515.00	\$ 137,197.00	\$ 120,000.00	\$ 106,113.00	\$ 130,000.00	8%
Public Expense	\$ 2,681.00	\$ 6,084.00	\$ 9,990.00	\$ 189.00	\$ 8,990.00	-10%
Promotion and Tourism	\$ 2,455.00	\$ 4,245.00	\$ 2,500.00	\$ 2,336.00	\$ 2,500.00	0%
EMT Equipment	\$ 32,751.00	\$ 1,557.00	\$ 12,000.00	\$ 4,948.00	\$ 12,000.00	0%
Intergovernmental Coop	\$ 1,221.00	\$ (873.00)	\$ -	\$ 2,336.00	\$ -	0%
Contribution - QJRA	\$ 6,720.00	\$ 6,720.00	\$ 10,000.00	\$ 9,072.00	\$ 8,148.00	-19%
Planning	\$ 7,500.00	\$ -	\$ 5,000.00	\$ -	\$ 5,000.00	0%
Televise Meetings	\$ 3,900.00	\$ 8,375.00	\$ 5,000.00	\$ 13,525.00	\$ 6,000.00	20%
Hydrants	\$ 210.00	\$ 259.00	\$ 2,000.00	\$ -	\$ 1,500.00	-25%
TCBDA	\$ 49,639.00	\$ 50,531.00	\$ 50,000.00	\$ 37,421.00	\$ 52,000.00	4%
Mineview in the Sky	\$ -	\$ -	\$ 2,500.00	\$ -	\$ 2,500.00	100%
Tax Abatement	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	100%
VRMC Contribution	\$ 2,000.00	\$ -	\$ -	\$ -	\$ -	0%
TOTAL	\$ 225,599.00	\$ 230,080.00	\$ 235,000.00	\$ 191,936.00	\$ 244,648.00	4%
TRANSFERS						
Capital Improvement	\$ 388,358.00	\$ 343,787.00	\$ 578,000.00	\$ 433,500.00	\$ 388,409.00	-33%
Mining Effects	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	0%
Debt Service	\$ 229,267.00	\$ 310,999.00	\$ 375,000.00	\$ 281,250.00	\$ 350,000.00	-7%
TOTAL	\$ 667,625.00	\$ 704,786.00	\$ 1,003,000.00	\$ 764,750.00	\$ 788,409.00	-21%
GENERAL GOVERNMENT						
TOTAL	\$ 893,224.00	\$ 934,866.00	\$ 1,238,000.00	\$ 956,686.00	\$ 1,033,057.00	-17%
TOTAL EXPENDITURES	\$ 3,259,529.00	\$ 3,534,369.00	\$ 3,610,000.00	\$ 2,668,734.00	\$ 3,480,057.00	

2010 Capital Improvement Budget

REVENUE		2010
General Fund		\$ 438,409.00
Grants		\$ 700,000.00
2009 Carryover		\$ 85,000.00
From EDA		\$ 60,000.00
Debt Financing		\$ 400,000.00

TOTAL \$ 1,683,409.00

EXPENDITURE	Department	Projects	Grants	Debt	TOTAL
Old Highway 169 (2009)	Streets	\$ 125,000.00			\$ 125,000.00
Old Highway 169 (2010)	Streets	\$ 125,000.00			\$ 125,000.00
2008 Equipment Purchase	Streets	\$ 103,000.00			\$ 103,000.00
Locomotive Park	Parks	\$ 65,500.00	\$ 50,000.00		\$ 115,500.00
Ann's Acres Park	Parks	\$ 65,000.00			\$ 65,000.00
West Virginia Park	Parks	\$ 30,000.00			\$ 30,000.00
Ball Field Upgrades	Parks		\$ 100,000.00		\$ 100,000.00
Library Basement	Buildings	\$ 26,000.00			\$ 26,000.00
Sheriffs Department Vehicle	Sheriffs	\$ 35,000.00			\$ 35,000.00
Broadcasting Equipment	Cable	\$ 8,909.00			\$ 8,909.00
City Garage	Streets			\$ 400,000.00	\$ 400,000.00
Energy Park	Development		\$ 550,000.00		\$ 550,000.00

OVERALL 2010 TOTAL \$ 583,409.00 \$ 700,000.00 \$ 400,000.00 \$ 1,683,409.00

2010 BUDGET
CITY OF MOUNTAIN IRON

DEBT SERVICE FUND

REVENUE	2007	2008	2009	2009	2010
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET
Interest Earnings	\$ 27,952.00	\$ 46,044.00	\$ 10,000.00	\$ 21,402.00	\$ 15,000.00
Special Assessments	\$ 55,363.00	\$ 43,463.00	\$ 60,000.00	\$ 5,048.00	\$ 50,000.00
Electric Fund	\$ 8,847.00	\$ 9,827.00	\$ 8,613.00	\$ 5,732.00	\$ 8,973.00
Water Fund	\$ 19,509.00	\$ -	\$ 18,939.00	\$ 15,728.00	\$ 19,788.00
TIF Fund	\$ 143,728.00	\$ -	\$ -	\$ -	\$ -
General Fund	\$ 229,267.00	\$ 311,000.00	\$ 375,000.00	\$ 218,750.00	\$ 350,000.00
TOTAL REVENUE	\$ 484,666.00	\$ 410,334.00	\$ 472,552.00	\$ 266,660.00	\$ 443,761.00

EXPENSES

Principle - Community Center	\$ 40,000.00	\$ 820,000.00	\$ -	\$ -	\$ -
Interest - Community Center	\$ 20,718.00	\$ 147,000.00	\$ -	\$ -	\$ -
Principle - Street Improvement	\$ 75,000.00	\$ 80,000.00	\$ 95,000.00	\$ 95,000.00	\$ 100,000.00
Interest - Street Improvement	\$ 51,986.00	\$ 39,581.00	\$ 29,400.00	\$ 28,023.00	\$ 26,645.00
Principle - Water Revenue	\$ 30,000.00	\$ -	\$ 35,000.00	\$ -	\$ 35,000.00
Interest - Water Revenue	\$ 36,194.00	\$ 34,941.00	\$ 33,628.00	\$ 16,814.00	\$ 32,140.00
Principle - TIF Bonds	\$ 140,000.00	\$ 140,000.00	\$ -	\$ -	\$ -
Interest - TIF Bonds	\$ 2,865.00	\$ 2,865.00	\$ -	\$ -	\$ -
Principle - USDA Loan	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 6,000.00
Interest - USDA Loan	\$ 12,375.00	\$ 12,169.00	\$ 11,963.00	\$ 11,963.00	\$ 11,756.00
Principle - 2005 Xover	\$ -	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00	\$ 50,000.00
Interest - 2005 Xover	\$ 14,573.00	\$ 28,598.00	\$ 27,795.00	\$ 27,070.00	\$ 26,345.00
Principle - Improvement Bonds	\$ -	\$ -	\$ 65,000.00	\$ 65,000.00	\$ 95,000.00
Interest - improvement Bonds	\$ -	\$ 55,743.00	\$ 124,510.00	\$ 59,510.00	\$ 56,310.00
Agent Fees	\$ 863.00	\$ 806.00	\$ 1,000.00	\$ 850.00	\$ 1,000.00
TOTAL EXPENSES	\$ 429,574.00	\$ 1,416,703.00	\$ 478,296.00	\$ 359,230.00	\$ 440,196.00

2010 BUDGET
CITY OF MOUNTAIN IRON
CHARITABLE GAMBLING

REVENUE	2007	2008	2009	2009	2010
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET
Interest Earnings	\$ 151.00	\$ 124.00	\$ 200.00	\$ 47.00	\$ 200.00
Gambling Proceeds	\$ 1,226.00	\$ 2,558.00	\$ 2,500.00	\$ 3,626.00	\$ 2,500.00

TOTAL REVENUE \$ 1,377.00 \$ 2,682.00 \$ 2,700.00 \$ 3,673.00 \$ 2,700.00

EXPENSES

Allowable Expenditures	\$ 3,033.00	\$ 4,450.00	\$ 2,700.00	\$ 1,950.00	\$ 2,700.00
Administration	\$ -	\$ -	\$ -	\$ -	\$ -

TOTAL EXPENSES \$ 3,033.00 \$ 4,450.00 \$ 2,700.00 \$ 1,950.00 \$ 2,700.00

**CITY OF MOUNTAIN IRON
2010 BUDGET
WATER DEPARTMENT**

REVENUES	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Interest Earnings	\$ 5,640.00	\$ 8,358.00	\$ 5,000.00	\$ 6,737.00	\$ 7,500.00	50%
Other	\$ 46,727.00	\$ 65,710.00	\$ 87,379.00	\$ 47,299.00	\$ 76,113.00	-13%
Charges for Services	\$ 251,548.00	\$ 247,559.00	\$ 265,000.00	\$ 166,926.00	\$ 250,000.00	-6%
TOTAL REVENUES	\$ 303,915.00	\$ 321,627.00	\$ 357,379.00	\$ 220,962.00	\$ 333,613.00	-7%

EXPENDITURES

Salaries	\$ 76,211.00	\$ 73,988.00	\$ 72,500.00	\$ 62,321.00	\$ 83,000.00	14%
Employee Benefits	\$ 27,556.00	\$ 29,534.00	\$ 28,000.00	\$ 27,188.00	\$ 36,000.00	29%
Insurance	\$ 6,872.00	\$ 8,160.00	\$ 10,000.00	\$ 3,211.00	\$ 10,000.00	0%
Miscellaneous	\$ 8,557.00	\$ 20,918.00	\$ 17,000.00	\$ 17,052.00	\$ 20,000.00	18%
Repairs and Maintenance	\$ 28,990.00	\$ 18,231.00	\$ 19,500.00	\$ 9,954.00	\$ 15,000.00	-23%
Supplies	\$ 8,369.00	\$ 9,362.00	\$ 8,800.00	\$ 5,768.00	\$ 9,000.00	2%
Telephone	\$ 321.00	\$ 320.00	\$ 350.00	\$ 662.00	\$ 800.00	129%
Utilities	\$ 29,187.00	\$ 23,235.00	\$ 28,000.00	\$ 15,753.00	\$ 25,000.00	-11%
Depreciation	\$ 79,503.00	\$ 79,503.00	\$ 77,000.00	\$ 57,750.00	\$ 79,503.00	3%
Debt Service	\$ 36,194.00	\$ 34,941.00	\$ 95,590.00	\$ 37,035.00	\$ 95,901.00	0%
Capital Outlay	\$ -	\$ 19,879.00	\$ -	\$ 49,946.00	\$ -	0%
TOTAL EXPENDITURES	\$ 301,760.00	\$ 318,071.00	\$ 356,740.00	\$ 286,640.00	\$ 374,204.00	5%

**CITY OF MOUNTAIN IRON
2010 BUDGET
WASTE WATER DEPARTMENT**

REVENUES	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Interest Earnings	\$ 8,368.00	\$ 11,739.00	\$ 5,000.00	\$ 8,379.00	\$ 11,000.00	120%
Other	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Charges for Services	\$ 342,082.00	\$ 338,358.00	\$ 350,000.00	\$ 215,190.00	\$ 322,000.00	-8%
TOTAL REVENUES	\$ 350,450.00	\$ 350,097.00	\$ 355,000.00	\$ 223,569.00	\$ 333,000.00	-6%

EXPENDITURES	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 63,365.00	\$ 73,581.00	\$ 72,000.00	\$ 56,404.00	\$ 75,000.00	4%
Employee Benefits	\$ 22,068.00	\$ 27,380.00	\$ 27,000.00	\$ 23,898.00	\$ 31,000.00	15%
Contract Services	\$ 34,188.00	\$ 27,405.00	\$ 27,405.00	\$ 25,424.00	\$ 27,000.00	-1%
Insurance	\$ 4,315.00	\$ 5,191.00	\$ 6,300.00	\$ 1,482.00	\$ 6,000.00	-5%
Miscellaneous	\$ 17,867.00	\$ 29,923.00	\$ 16,000.00	\$ 103,361.00	\$ 20,000.00	25%
Maintenance and Repairs	\$ 13,586.00	\$ 25,228.00	\$ 15,000.00	\$ 11,451.00	\$ 15,000.00	0%
Supplies	\$ 15,747.00	\$ 14,873.00	\$ 9,800.00	\$ 5,729.00	\$ 9,000.00	-8%
Telephone	\$ 2,650.00	\$ 3,499.00	\$ 3,200.00	\$ 1,613.00	\$ 2,000.00	-38%
Utilities	\$ 74,072.00	\$ 63,288.00	\$ 61,500.00	\$ 35,590.00	\$ 50,000.00	-19%
Depreciation	\$ 106,670.00	\$ 107,737.00	\$ 118,000.00	\$ 88,500.00	\$ 105,737.00	-10%
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ 35,177.00	#####
Capital Outlay	\$ -	\$ 6,017.00	\$ -	\$ 25,702.00	\$ -	#####
TOTAL EXPENDITURES	\$ 354,528.00	\$ 384,122.00	\$ 356,205.00	\$ 379,154.00	\$ 375,914.00	6%

**CITY OF MOUNTAIN IRON
2010 BUDGET
REFUSE AND RECYCLING DEPARTMENT**

REVENUES	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Interest Earnings	\$ 16,321.00	\$ 16,282.00	\$ 7,000.00	\$ 11,033.00	\$ 14,000.00	100%
Transfers In	\$ -	\$ -	\$ -	\$ -	\$ -	0%
Charges for Services	\$ 373,943.00	\$ 383,845.00	\$ 371,000.00	\$ 259,276.00	\$ 345,000.00	-7%
TOTAL REVENUES	\$ 390,264.00	\$ 400,127.00	\$ 378,000.00	\$ 270,309.00	\$ 359,000.00	-5%

EXPENDITURES	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Salaries	\$ 94,052.00	\$ 94,575.00	\$ 82,000.00	\$ 70,263.00	\$ 93,000.00	13%
Employee Benefits	\$ 43,216.00	\$ 40,861.00	\$ 41,500.00	\$ 33,862.00	\$ 45,000.00	8%
Insurance	\$ 8,156.00	\$ 11,448.00	\$ 13,000.00	\$ 5,997.00	\$ 7,500.00	-42%
Miscellaneous	\$ 13,324.00	\$ 14,204.00	\$ 13,500.00	\$ 10,839.00	\$ 13,000.00	-4%
Repairs and Maintenance	\$ 24,148.00	\$ 5,561.00	\$ 4,900.00	\$ 7,223.00	\$ 5,000.00	2%
County Fees	\$ 130,122.00	\$ 131,145.00	\$ 136,000.00	\$ 87,309.00	\$ 132,000.00	-3%
Supplies	\$ 24,394.00	\$ 35,497.00	\$ 35,000.00	\$ 11,279.00	\$ 15,000.00	-57%
Depreciation	\$ 35,871.00	\$ 23,005.00	\$ 23,000.00	\$ 17,250.00	\$ 23,005.00	0%
Telephone	\$ 1,091.00	\$ 1,156.00	\$ 1,000.00	\$ 752.00	\$ 1,000.00	0%
Capital Outlay	\$ -	\$ -	\$ 130,000.00	\$ 183,266.00	\$ -	0%
TOTAL EXPENDITURES	\$ 374,374.00	\$ 357,452.00	\$ 479,900.00	\$ 428,040.00	\$ 334,505.00	-30%

**CITY OF MOUNTAIN IRON
2010 BUDGET
ELECTRIC DEPARTMENT**

REVENUES	2007	2008	2009	2009	2010	%
	ACTUAL	ACTUAL	BUDGET	YTD	BUDGET	
Interest Earnings	\$ 15,668.00	\$ 9,969.00	\$ 10,000.00	\$ 5,091.00	\$ 6,800.00	-32%
Other	\$ -	\$ -	\$ 160,000.00	\$ 4,060.00	\$ 6,000.00	0%
Charges for Services	\$ 1,756,326.00	\$ 1,696,771.00	\$ 1,668,827.00	\$ 1,123,868.00	\$ 1,690,000.00	1%
TOTAL REVENUES	\$ 1,771,994.00	\$ 1,706,740.00	\$ 1,838,827.00	\$ 1,133,019.00	\$ 1,702,800.00	-7%

EXPENDITURES

Cost of Sales	\$ 1,108,965.00	\$ 1,108,089.00	\$ 1,086,310.00	\$ 845,527.00	\$ 1,127,370.00	4%
Salaries	\$ 234,584.00	\$ 266,337.00	\$ 240,838.00	\$ 180,898.00	\$ 241,200.00	0%
Employee Benefits	\$ 96,036.00	\$ 118,014.00	\$ 113,850.00	\$ 85,346.00	\$ 113,780.00	0%
Insurance	\$ 14,728.00	\$ 21,939.00	\$ 25,324.00	\$ 9,119.00	\$ 12,150.00	-52%
Miscellaneous	\$ 22,943.00	\$ 32,009.00	\$ 28,644.00	\$ 18,646.00	\$ 24,860.00	-13%
Repairs and Maintenance	\$ 91,943.00	\$ 66,799.00	\$ 61,290.00	\$ 59,164.00	\$ 78,890.00	29%
Supplies	\$ 21,196.00	\$ 38,617.00	\$ 38,491.00	\$ 18,789.00	\$ 25,100.00	-35%
Telephone	\$ 3,027.00	\$ 3,074.00	\$ 2,843.00	\$ 3,220.00	\$ 3,200.00	13%
Depreciation Expense	\$ 18,702.00	\$ 29,210.00	\$ 43,000.00	\$ 32,250.00	\$ 29,210.00	-32%
Interest Expense	\$ 1,477.00	\$ 1,275.00	\$ 1,200.00	\$ 328.00	\$ 1,200.00	0%
Debt Service	\$ 32,363.00	\$ 9,827.00	\$ 9,827.00	\$ 7,370.00	\$ 8,973.00	-9%
CIP	\$ -	\$ 23,444.00	\$ 25,766.00	\$ 4,368.00	\$ 26,000.00	1%
Capital Outlay	\$ -	\$ 12,935.00	\$ 160,000.00	\$ 27,403.00	\$ -	-100%
TOTAL EXPENDITURES	\$ 1,645,964.00	\$ 1,731,569.00	\$ 1,837,333.00	\$ 1,292,428.00	\$ 1,691,933.00	-8%



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 53-09

APPROVING 2009 TAX LEVY, COLLECTABLE 2010

BE IT RESOLVED, by the City Council of the City of Mountain Iron, County of Saint Louis, Minnesota, that the following sums of money be levied for the current year, collectable in 2010, upon the taxable property in the City of Mountain Iron for the following purposes:

TOTAL PROPOSED LEVY	\$1,206,978.00
MINUS SPECIAL LEVIES	\$418,275.00
LEVY SUBJECT TO LEVY LIMIT	\$788,703.00

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 21st DAY OF DECEMBER, 2009.

ATTEST:

Mayor Gary Skalko

City Administrator



CITY OF MOUNTAIN IRON

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RESOLUTION NUMBER 54-09

APPROVING PROPOSED 2010 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 2009 payable in 2010 for all property in the City of Mountain Iron:

General Obligation Community Center Bond levy shall be \$83,811.00

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 21st DAY OF DECEMBER, 2009.

Mayor Gary Skalko

ATTEST:

City Administrator

COUNCIL LETTER 122109-IX
NEGOTIATIONS COMMITTEE
CLOSED MEETING

DATE: December 16, 2009
FROM: Negotiations Committee
Craig J. Wainio
City Administrator

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