



**MOUNTAIN IRON  
CITY COUNCIL  
MEETING**

**TUESDAY, JANUARY 18, 2022**

**6:30 P.M.**

**MOUNTAIN IRON COMMUNITY CENTER  
MOUNTAIN IRON ROOM**



**MOUNTAIN IRON CITY COUNCIL MEETING  
COMMUNITY CENTER  
MOUNTAIN IRON ROOM  
TUESDAY, JANUARY 18, 2022 - 6:30 P.M.  
A G E N D A**

- I. Roll Call
- II. Pledge of Allegiance
- III. Consent Agenda
  - A. Minutes of the January 3, 2022, Regular Meeting (#1-5)
  - B. Receipts
  - C. Bills and Payroll
  - D. Communications
- IV. Public Forum
- V. Committee and Staff Reports
  - A. Mayor's Report
    - 1. Appointments
  - B. City Administrator's Report
    - 1. Coil Replacement Quote (#6)
  - C. Director of Public Works' Report
    - 1. Hoist Repair Quotes (#7-8)
    - 2. Door and Window Replacement Quote (#9-10)
  - D. Library Director/Special Events Coordinator's Report (#11)
  - E. Sheriff's Department Report
  - F. City Engineer's Report
  - G. City Attorney's Report
  - H. Liaison Reports
- VI. Unfinished Business
- VII. New Business
  - A. 2021 Audit Proposal (#12-20)
  - B. Authorization to Serve Alcohol (#21)
- VIII. Communications (#22)
- IX. Announcements
  - A. FD will be burning the Hellyer house on Mud Lake Road on Saturday Jan 29th
- X. Adjourn

# Page Number in Packet  
\*Enclosed



MINUTES  
MOUNTAIN IRON CITY COUNCIL  
January 3, 2022

Mayor Anderson called the City Council meeting to order at 6:30p.m. with the following members present: Councilor Ed Roskoski, Julie Buria, Joe Prebeg Jr. and Mayor Peggy Anderson. Also present were: Craig Wainio, City Administrator; Tim Satrang, Director of Public Works; Anna Amundson, Library Director/Special Events Coordinator; Amanda Inmon, Municipal Services Secretary; Al Johnson, City Engineer; and Grant Toma, Sheriff's Department. Absent members: Councilor Steve Skogman.

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

1. Approve the minutes of the December 20, 2021, regular meeting as submitted.
2. That the communications be accepted and placed on file and those requiring further action by the City Council be acted upon during their proper sequence on the agenda.
3. To acknowledge the receipts for the period December 16-31, totaling \$975,256.69 (a list is attached and made a part of these minutes),
4. To authorize the payments of the bills and payroll for the period December 16-31, totaling \$430,592.22 (a list is attached and made a part of these minutes).

The motion carried with Councilor Skogman absent.

**Public Forum:**

- No one spoke during the public forum

The Mayor reported on the following:

- Big thank you to the City Crew for keeping the streets clear

It was moved by Anderson and seconded by Buria to approve the reorganization of the City as follows:

- to appoint Joe Prebeg, as Deputy Mayor for 2022
- to designate The Trenti Law Firm as the City's Attorneys for 2022
- to designate Benchmark Engineering as the City's Engineering Firm for 2022 year
- to appoint the Hometown Focus as the official newspaper for the City of Mountain Iron for 2022 year
- to set the regular City Council meetings for the first and third Mondays of the month at 6:30 p.m.
- at City Hall in the Mountain Iron Room
- to designate the City's official depositories as the American Bank, Frandsen Bank, Wells Fargo Bank, US Bank, Twin City Federal, League of Minnesota Cities 4M Fund, Miller Johnson Steichen Kinnard, Inc., Morgan Stanley, Northland Securities, First National Bank of Buhl, and Federal Home Loan Bank, for 2022 year

The motion carried 3:1 (No: Roskoski; Yes: Anderson, Prebeg, Buria) with Councilor Skogman absent.



It was moved by Roskoski to amend the motion to include with the official newspaper be the Hometown Focus, “to have the City Council meeting minutes published in the Hometown Focus and/or Mesabi Tribune.” Other communities around the Iron Range do this, and several people have requested this, due to the lack of Mediacom and lack of good computer access. The amended motion failed due to lack of support.

It was moved by Anderson and seconded by Buria to accept the following individuals to Boards as follows:

- to re-appoint Barb Fivecoate to serve on the Planning and Zoning Board
- to appoint Peggy Anderson to fill Councilor Skogman’s position on the Planning and Zoning Board
- to re-appoint Reynold Renzaglia to serve on the Utility Advisory Board
- to re-appoint Jacob Osell to serve on the Utility Advisory Board
- to re-appoint Steve Hunter to the Park and Recreation Board
- to re-appoint Marcia Bergquist to the Library Board
- to re-appoint Janet Koski to the Library Board
- to appoint Peggy Anderson to fill Councilor Skogman’s position on the Public Safety & Health Board

The motion carried with Councilor Skogman absent.

Big thank you to Robert Voss, Natalie Pankratz-Leff, and Kathy Witzman for their time and dedication to the Boards/Commission.

City Administrator:

- No formal report

Director or Public Works:

- Big thank you to the City Crew and their hard work
- Calendar parking in effect

It was moved by Prebeg and seconded by Roskoski to accept the proposal from Keller Fence Company North Inc., in the amount of \$9,965.00 for the fencing of the City’s Transformers at the City Garage. The motion carried (4:0) with a roll call vote with Councilor Skogman absent.

Library Director/Special Events Coordinator:

- Winter Reading Program
  - January 4<sup>th</sup> – February 25<sup>th</sup>
- Library Hours return to regular hours-January 3<sup>rd</sup>
  - Mon- Thurs -10:00am – 6:00pm
  - Friday - 10:00am – 2:00pm
  - Curbside service still available
- Big thank you to Kathy Witzman for her service on the Library Board
- Thanks to Library Board and Friends of the Library for their support in 2021

Sheriff’s Department:

- No formal report



City Engineer:

- No formal report

Liaison Report:

- Fire Department:
  - Christmas Eve fire in Kinross
  - Last trainees group completing Firefighter 1 & 2 training

It was moved by Prebeg and seconded by Roskoski to approve the estimate for the addition of a Rear Suction Inlet to Engine#19, from Macqueen Equipment in the amount of \$38,944.32. The motion carried (4:0) with a roll call vote with Councilor Skogman absent.

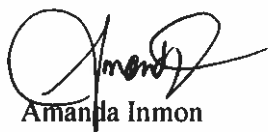
Announcements:

- None

It was moved by Roskoski and seconded by Prebeg to reschedule the Monday, January 17, 2022 meeting due to the Martin Luther King, Jr. Holiday to Tuesday, January 18<sup>th</sup> at 6:30pm at the Mountain Iron City Hall. The motion carried with Councilor Skogman absent.

At 6:59p.m., it was moved by Prebeg and seconded by Buria that the meeting be adjourned. The motion carried with Councilor Skogman absent.

Submitted by:



Amanda Inmon  
Municipal Services Secretary  
[www.mtniron.com](http://www.mtniron.com)

Communications:

1. St. Louis County Board Proposed Sale of State Tax Forfeited Land Auction
  - beginning January 27<sup>th</sup> and closing February 10<sup>th</sup>
  - full listing of properties for sale at [www.stlouiscountymn.gov/landsales](http://www.stlouiscountymn.gov/landsales)



Distribution Summary

Category	Distribution	GL Account	Amount
BUILDING RENTALS	BUILDING RENTAL DEPOSITS	101-20607	600.00
BUILDING RENTALS	COMMUNITY CENTER	101-36-6200-089	1,050.00
CD INTEREST	CD INTEREST 101	101-36-6200-000	1,988.19
CD INTEREST	CD INTEREST 378	378-36-6210-000	897.89
CD INTEREST	CD INTEREST 601	601-36-6200-010	32.07
CD INTEREST	CD INTEREST 602	602-36-2100-062	96.20
CD INTEREST	CD INTEREST 603	603-34-4400-010	192.41
INTERGOVERNMENTAL REVENUE	LOCAL GOVERNMENT AID	101-33-3401-000	700,048.50
INTERGOVERNMENTAL REVENUE	MISCELLANEOUS STATE AID	101-33-3401-011	37,703.94
METER DEPOSITS	ELECTRIC	604-22000	650.00
MISCELLANEOUS	ASSESSMENT SEARCHES	101-36-6200-070	20.00
MISCELLANEOUS	BLUE CROSS/BLUE SHIELD PAYABLE	101-21709	54,746.80
MISCELLANEOUS	DELTA DENTAL PAYABLE	101-21708	1,617.30
MISCELLANEOUS	FAX CHARGES	101-36-6200-061	9.01
MISCELLANEOUS	REFUSE-SALE OF SCRAP METAL	603-34-4400-011	1,012.58
MISCELLANEOUS	REIMBURSEMENTS	101-37-7100-022	1.06
MISCELLANEOUS	USABLE LIFE INS. PAYABLE	101-21710	299.34
PERMITS	BUILDING	101-32-2100-000	684.82
UTILITY	UTILITY	001-11105	173,606.58
Grand Totals:			975,256.69



## Report Criteria:

Report type: Summary

Check Type = {&lt;&gt;} "Adjustment"

GL Period	Check Issue Date	Check Number	Vendor Number	Payee	Check GL Account	Amount
01/22	01/04/2022	157071	130076	MINNESOTA DEPARTMENT OF NATURAL RESOUR	101-20200	500.00
01/22	01/04/2022	157072	10012	ABE ENVIRONMENTAL SYSTEMS, INC	101-20200	2,984.00
01/22	01/04/2022	157073	10075	ARAMARK UNIFORM SERVICES	602-20200	134.35
01/22	01/04/2022	157074	10026	ARROWHEAD REGIONAL FIRE FIGHTER'S ASSOC.	101-20200	65.00
01/22	01/04/2022	157075	30054	BAKER TILLY VIRCHOW KRAUSE LLP	101-20200	4,996.00
01/22	01/04/2022	157076	20039	BIOSOLIDS DISPOSAL SITE	602-20200	6,313.85
01/22	01/04/2022	157077	30022	COLOSIMO PATCHIN KEARNEY	101-20200	143.00
01/22	01/04/2022	157078	30021	COMPASS MINERALS AMERICA INC.	101-20200	3,971.33
01/22	01/04/2022	157079	30073	COMPENSATION CONSULTANTS, LTD	101-20200	150.00
01/22	01/04/2022	157080	30072	COMPUTER WORLD	101-20200	2,585.00
01/22	01/04/2022	157081	140013	CORE & MAIN LP	602-20200	3,155.73
01/22	01/04/2022	157082	635	CURT PIRI	101-20200	100.00
01/22	01/04/2022	157083	260008	DANNY J. ZUPANCICH	101-20200	61.31
01/22	01/04/2022	157084	60029	FERGUSON ENTERPRISES INC	101-20200	85.57
01/22	01/04/2022	157085	80022	HAWKINS INC	601-20200	711.74
01/22	01/04/2022	157086	80037	HOMETOWN MEDIA PARTNERS	603-20200	95.00
01/22	01/04/2022	157087	30023	J P COOKE COMPANY	101-20200	86.50
01/22	01/04/2022	157088	1217	L & M SUPPLY	604-20200	8,338.60
01/22	01/04/2022	157089	130006	MESABI HUMANE SOCIETY	101-20200	1,916.67
01/22	01/04/2022	157090	110035	MIDWEST COMMUNICATIONS	101-20200	345.00
01/22	01/04/2022	157091	130009	MINNESOTA POWER (ALLETE INC)	101-20200	880.11
01/22	01/04/2022	157092	140052	NORTHEAST SERVICE COOPERATIVE	101-20200	107,433.00
01/22	01/04/2022	157093	140004	NORTHERN ENGINE & SUPPLY INC	101-20200	117.56
01/22	01/04/2022	157094	140005	NORTHERN FITNESS GROUP	101-20200	208.08
01/22	01/04/2022	157095	140056	NORTHLAND TRUST SERVICES INC	378-20200	48,390.63
01/22	01/04/2022	157096	160066	PACE ANALYTICAL SERVICES, LLC	602-20200	294.00
01/22	01/04/2022	157097	130017	PARK STATE BANK	101-20200	650.17
01/22	01/04/2022	157098	160060	PIT & QUARRY SUPPLIES INC	101-20200	2,370.00
01/22	01/04/2022	157099	160020	PTM DOCUMENT SYSTEMS	602-20200	318.97
01/22	01/04/2022	157100	180021	RANGE ASSOC OF MUNICIPALITIES	101-20200	700.00
01/22	01/04/2022	157101	190079	SCHINDLER ELEVATOR CORPORATION	101-20200	8,573.00
01/22	01/04/2022	157102	190024	ST LOUIS CO SHERIFF LITMAN	101-20200	45,833.34
01/22	01/04/2022	157103	200028	TRI CITIES BIOSOLIDS DISPOSAL	602-20200	6,520.00
01/22	01/04/2022	157104	220025	VERIZON WIRELESS	602-20200	16.96
01/22	01/04/2022	157105	260001	ZIEGLER INC	101-20200	171.09
01/22	01/04/2022	157106	140056	NORTHLAND TRUST SERVICES INC	601-20200	50,495.00
01/22	01/04/2022	157107	180021	RANGE ASSOC OF MUNICIPALITIES	101-20200	200.00

Grand Totals:

309,910.56

PP-Ending 12/24

120,681.66

**TOTAL EXPENDITURES****\$430,592.22**





## PROPOSAL

Date: 1/7/2022

To: City Of Mountain Iron, MN  
8586 Enterprise Drive South  
Mt. Iron, MN 55768  
Fax 218-748-7573  
Attn: Terry

Job: Community Center Magic Aire Coil  
Replacement  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

We propose to furnish all materials and install work as described below for the net sum of:

Six Thousand Nine Hundred Forty Seven Dollars and 00/100

Dollars: \$6,947.00

Section(s):

Remove existing Magic Aire air handling unit hot water heating coil and replace with new.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Exclusions: Bond, Permit,

TERMS: Payment Due Upon Completion

The receipt of the following addenda to the specification is acknowledged.

No:	Date:	No:	Date:	No:	Date:	No:	Date:

As per Plans and Specifications drawn by: \_\_\_\_\_ Dated: \_\_\_\_\_

Location \_\_\_\_\_

City of Mt. Iron, MN

Owner

Respectfully submitted by Ross Taylor

JK Mechanical Contractors Inc.

\*Accepted By: \_\_\_\_\_

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

This proposal is subject to credit approval and acceptance within 30 days.

\* This proposal signed by you and returned to us shall constitute a contract, and a copy of the same with our signature of a company officer will be returned to you. Any change in contract must be agreed upon in writing. All orders accepted by us with the understanding that we are not to be held liable for non-delivery because of transportation difficulties, labor strikes, fire, war, flood, accidents at factory, or any causes beyond our control. Quotations subject to change without notice before receipt of acceptance.

We carry in force: Workman's Compensation, Public Liability, and Property Damage Insurance policies.





# Proposal

<b>SEND TO</b>			
<i>Company name</i> City of Mountain Iron		<i>From</i> Peter Aldritt	
<i>Attention</i> Tim Satrang		<i>Date</i> 1/12/2022	
<i>Fax</i>	<i>Phone</i>	<i>Proposal # No.</i> Concrete Replacement Vehicle Hoist	

☐ **Urgent**
☐ **Please comment**
☒ **Please review**
☐ **For your information**

Total pages, including cover: \_\_\_\_\_

## COMMENTS

Tim,

Magney Construction is please to offer the following cost estimate to repair the concrete at the vehicle hoist. The final number will be billed at an hourly rate not to exceed this estimate.

<b>Labor:</b> 3 Man Crew for 4 Days		\$10,050.00
<b>Material:</b> Concrete, Dowels, Galvanized Pipe		\$1,960.00
<b>Equipment:</b>	\$	-
<b>Subcontractor:</b>	\$	-
<b>Subtotal</b>	\$	12,010.00
<b>General Contractor's Overhead (15 % Labor, Material &amp; Equipment)</b>	\$	1,801.50
<b>Sales Tax</b>		\$0.00
<b>Total</b>	\$	13,811.50

<b>Additional Working Days Required for this Change:</b>	<b>0.0</b>
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Please review this proposal and feel free to contact me with any questions, comments or concerns.

Thank you,

Peter Aldritt  
 Project Manager

<i>Accepted By</i>	<i>Date</i>



**Stevens Welding & Fabricating LLC**  
4111 Highway 53  
Eveleth, MN 55734 US  
+218 2885897  
stevensweldingllc@gmail.com  
stevensweldingllc.com

## Estimate

**ADDRESS**

Tim Satrang  
City of Mountain Iron  
8586 Enterprise Dr S  
Mountain Iron, MN 55768

**SHIP TO**

Tim Satrang  
City of Mountain Iron  
City of Mountain Iron  
Tim Satrang  
8586 Enterprise Dr S  
Mountain Iron, MN 55768

ESTIMATE #	DATE	EXPIRATION DATE
1001	01/03/2022	01/10/2022

DATE	SERVICE	DESCRIPTION	QTY	RATE	AMOUNT
	<b>Shop Work</b>	Floor Lift- 6 inch channel steel and 1/4" deck plate	1	3,840.68	3,840.68
	<b>Shop Work</b>	Labor for floor lift for 6 inch channel steel	1	4,428.00	4,428.00

TOTAL

**\$8,268.68**

Accepted By

Accepted Date





510 West 25th St. • Hibbing, MN 55746  
Tel 218-262-2010 • Fax 218-262-2011

TO:	FROM:
Tim	Chris Anderson
COMPANY:	DATE:
City of Mountain Iron	DECEMBER 30, 2021
FAX NUMBER:	TOTAL NO. OF PAGES INCLUDING COVER: 1

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### PROPOSAL

Job: Mtn Iron, Water Treatment Facility

Quote 1: Demo and Disposal of office window

New Double thermally broken aluminum window  
Window split horizontally with upper portion fixed. Lower portion operable  
Operator: Desco I65 Series Awning window  
Operator hardware: Screen, Roto Handle, Locking  
Finish: Clear Anodized  
Glass: 1" O.A. Insulated Low-E  
Caulking primary and secondary seals  
Flashing as required  
Installation

Total: \$ 4,235.00

Quote 2: Demo and Disposal of roof access door

New Steel door and frame to match existing  
Painted with 2 coats of oil-based paint. Customer to choose color  
Hardware: 1 ½ Pair Butt Hinges  
Door controls closer with hold open arm  
Lever Handle  
Threshold, Weatherstripping, Sweep  
Caulking primary and secondary seals  
Installation

Total: \$ 4,440.00

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Quote 3: Demo and Disposal of Fluoride room Door

New Steel door and frame to match existing

Painted with 2 coats of oil-based paint. Customer to choose color

Hardware: 1 ½ Pair Butt Hinges

Door controls closer with hold open arm

Lever Handle

Threshold, Weatherstripping, Sweep

Caulking primary and secondary seals

Installation

Total: \$ 4,335.00

Proposed by:

  
Chris Anderson

Accepted by: \_\_\_\_\_ Date: \_\_\_\_\_

Any drawings provided are property of Mesabi Glass, Window & Door, Inc. If any of these drawings are used to receive other quotes, customer will be charged \$250.00 or 5% of project, whichever is greater.



Mountain Iron Public Library

Monthly Report

December 2021

**Circulation**

Items checked out: 1,115      Items checked in: 1,244

Total Circulation of materials in December: 2,359

**Attendance:**

Adults: 224      Youth: 60      Patrons in December: 284

Special Events/Programs held: 0

Reference Desk visits (email, phone, and messenger): 238      Computer Use Sessions: 34

Total Library usage: 284

**Events and Activities at the library in December:**

December 1<sup>st</sup>: ALS Compass Meeting (Anna)

December 1<sup>st</sup>: Reading @ the Merritt (Anna)

December 14<sup>th</sup>: ALS Meeting (Anna)

December 15<sup>th</sup>: Library Board Meeting (Anna)

December 15<sup>th</sup>: Iron Range Tykes Library Visit (Anna)

December 15<sup>th</sup>: Reading @ the Merritt (Anna)

December 20<sup>th</sup>: City Council Meeting (Anna)

December 22<sup>nd</sup>: Reading @ the Merritt (Anna)



**COUNCIL LETTER 011822-VIIA**

**AUDITOR**

**AUDIT PROPOSAL**

**DATE:** January 13, 2022  
**FROM:** Craig J. Wainio  
City Administrator

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Enclosed, please find the Audit proposal from Walker, Giroux and Hahne to perform the 2021 Audit. The proposal price is \$27,180 for the Governmental Funds and \$11,820 for the Enterprise Funds. For the 2020 Audit proposal the Governmental Funds were \$26,550 and the Enterprise funds were \$11,550.



December 27, 2021

To the City Council and Management  
City of Mountain Iron, Minnesota  
Attn: Craig Wainio, Administrator  
8586 Enterprise Drive South  
Mountain Iron, MN 55768-8260

We are pleased to confirm our understanding of the services we are to City of Mountain Iron, Minnesota for the year ended December 31, 2021.

#### **Audit Scope and Objectives**

We will audit the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the remaining fund information, including the related notes to the financial statements of City of Mountain Iron, Minnesota as of and for the year ended December 31, 2021. Accounting standards generally accepted in the United States of America (GAAP) provide for certain required supplementary information (RSI) to supplement City of Mountain Iron, Minnesota's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Mountain Iron, Minnesota's RSI in accordance with auditing standards generally accepted in the United States of America (GAAS). These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by GAAP and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Schedule of revenues, expenditures and changes in fund balance – budget and actual.
3. Schedule of changes in City's net OPEB liability and related ratios.
4. Schedules of City's proportionate share of net pension liability and City's contributions for defined benefit pension plans.
5. Schedule of City contributions.
6. Schedule of changes in net pension liability/asset.



We have also been engaged to report on supplementary information other than RSI that accompanies City of Mountain Iron, Minnesota's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole in a report combined with our auditor's report on the financial statements.

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

The objectives of our audit are to obtain reasonable assurance as to whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; issue an auditor's report that includes our opinion about whether your financial statements are fairly presented, in all material respects, in conformity with GAAP; and report on the fairness of the other information referred to in the second paragraph when considered in relation to the financial statements as a whole. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. Misstatements, including omissions, can arise from fraud or error and are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment of a reasonable user made based on the financial statements.

The objectives also include reporting on internal control over financial reporting and compliance with provisions of laws, regulations, contracts, and award agreements, noncompliance with which could have a material effect on the financial statements in accordance with *Government Auditing Standards*.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

We will conduct our audit in accordance with GAAS and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of your accounting records of City of Mountain Iron, Minnesota and other procedures we consider necessary to enable us to express such opinions. As part of an audit in accordance with GAAS and *Government Auditing Standards*, we exercise professional judgment and maintain professional skepticism throughout the audit.

We will evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management. We will also evaluate the overall presentation of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. We will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government. Because the determination of waste and abuse is subjective, *Government Auditing Standards* do not expect auditors to perform specific procedures to detect waste or abuse in financial audits nor do they expect auditors to provide reasonable assurance of detecting waste or abuse.



Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is an unavoidable risk that some material misstatements may not be detected by us, even though the audit is properly planned and performed in accordance with GAAS and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriation of assets that comes to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

We will also conclude, based on the audit evidence obtained, whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the government's ability to continue as a going concern for a reasonable period of time.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, tests of the physical existence of inventories, and direct confirmation of receivables and certain assets and liabilities by correspondence with selected customers, creditors, and financial institutions. We will make reference to other auditors of the Mountain Manor Apartments, Mountain Iron Housing and Redevelopment Authority, a discretely presented component unit of the City of Mountain Iron, Minnesota in our auditor's report on the group financial statements. We will also request written representations from your attorneys as part of the engagement.

We have identified the following significant risk(s) of material misstatement as part of our audit planning:

- Lack of Segregation of Duties
- Management override of controls
- Client does not prepare its own financial statements

#### **Audit Procedures – Internal Control**

We will obtain an understanding of the government and its environment, including internal control relevant to the audit, sufficient to identify and assess the risks of material misstatement of the financial statements, whether due to error or fraud, and to design and perform audit procedures responsive to those risks and obtain evidence that is sufficient and appropriate to provide a basis for our opinions. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. Accordingly, we will express no such opinion. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.



### **Audit Procedure – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Mountain Iron, Minnesota's compliance with the provisions of applicable laws, regulations, contracts, agreements and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Other Services**

We will assist in preparing the financial statements and related notes of City of Mountain Iron, Minnesota in conformity with U.S. generally accepted accounting principles based on information provided by you. We will also prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statements, related notes, and trial balance preparation services previously defined. We, in our sole professional judgment, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

### **Responsibilities of Management for the Financial Statements**

Our audit will be conducted on the basis that you acknowledge and understand your responsibility for designing, implementing, establishing, and maintaining effective internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, and for evaluating and monitoring ongoing activities to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements and all accompanying information in conformity with accounting principles generally accepted in the United States of America, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is responsible for making drafts of financial statements, all financial records, and related information available to us and for the accuracy and completeness of that information (including information from outside of the general and subsidiary ledgers). You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, identification of all related parties and all related-party relationships and transactions, and other matters; (2) additional information that we may request for the purpose of the audit; and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by GAAS and *Government Auditing Standards*.



Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements of each opinion unit taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the government complies with applicable laws, regulations, contracts, agreements, and grants and for taking timely and appropriate steps to remedy fraud and noncompliance with provisions of laws, regulations, or contracts or grant agreements that we report.

You are responsible for the preparation of the supplementary information, which we have been engaged to report on, in conformity with accounting principles generally accepted in the United States of America. You agree to include our report on the supplementary information in any document that contains, and indicates that we have reported on, the supplementary information. You also agree to make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

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

You agree to assume all management responsibilities relating to the financial statements and related notes, our preparation of the trial balance, and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes, and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them and any other nonaudit services we provide. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, with suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them.



### **Engagement Administration, Fees, and Other**

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

We will provide copies of our reports to City of Mountain Iron, Minnesota; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Walker, Giroux and Hahne, LLC and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to a governmental agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for the purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Walker, Giroux and Hahne, LLC personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

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

Thomas B. Kelly is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. We expect to begin our audit on approximately December 31, 2021 and to issue our reports no later than June 30, 2022.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.), except that we agree that our gross fee, including expenses, will not exceed \$27,180 for the City's Governmental Funds and \$11,820 for the Enterprise Funds. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

### **Reporting**

We will issue a written report upon completion of our audit of City of Mountain Iron, Minnesota's financial statements. Our report will be addressed to City Council and Management of City of Mountain Iron, Minnesota. We will make reference to Esterbrooks, Scott, Signorelli, Peterson, Smithson, Ltd's audit of Mountain Manor Apartments, Mountain Iron Housing and Redevelopment Authority, a discretely presented component unit of the City of Mountain Iron, Minnesota in our report on your financial statements. Circumstances may arise in which our report may differ from its expected form and content based on the results of our audit. Depending on the nature of these circumstances, it maybe necessary for us to modify our opinions, add a separate section, or add an emphasis-of-matter or other-matter



paragraph to our auditor's report, or if necessary, withdraw from this engagement. If our opinions are other than unmodified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or issue reports, or we may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will state (1) that the purpose of the report is solely to describe the scope of testing of internal control and compliance, and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that City of Mountain Iron, Minnesota is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2018 peer review report is attached.

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

Very truly yours,

WALKER, GIROUX & HAHNE, LLC



Thomas B. Kelly  
Certified Public Accountant

**RESPONSE:**

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

\_\_\_\_\_  
Management signature

\_\_\_\_\_  
Governance signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date



November 15, 2018

## Report on the Firm's System of Quality Control

To the Partners of Walker, Giroux and Hahne, LLC  
and the Peer Review Committee of the Minnesota Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Walker, Giroux and Hahne, LLC (the firm) in effect for the year ended June 30, 2018. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including a compliance audit under the Single Audit Act and audits of employee benefit plans.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Walker, Giroux and Hahne, LLC in effect for the year ended June 30, 2018 has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Walker, Giroux and Hahne, LLC has received a peer review rating of pass.

*Abdo, Eick & Meyers, LLP*

ABDO, EICK & MEYERS, LLP  
*Certified Public Accountants & Consultants*





*Mt. Iron · Virginia, Minnesota*

*5478 Mountain Iron Dr. Virginia, MN 55792*

*Phone: 218-741-8681. Fax: 218-741-3027. Email: [info@sawmillsaloonrestaurant.com](mailto:info@sawmillsaloonrestaurant.com)*

January 3, 2022

City of Mountain Iron  
8586 South Enterprise Drive  
Mountain Iron, MN 55768

City of Mountain Iron,

Sundberg Enterprises, LLC dba The Sawmill Saloon and Restaurant is requesting permission to serve alcohol at the following upcoming event: February 26, 2022 (AEOA) held at the Mountain Iron Community Center.

Copies of our liquor liability insurance and our catering permit are on file with the City Offices.

Any questions, I can be reached at 218.741.8681 or 218.391.3147.

Thank you,

Chad Nesselroad, Banquet Manager  
Sundberg Enterprises, LLC  
Dbas: Sawmill Saloon & Restaurant





# Saint Louis County

Land and Minerals Dept. • [www.stlouiscountymn.gov](http://www.stlouiscountymn.gov) • [landdept@stlouiscountymn.gov](mailto:landdept@stlouiscountymn.gov)

**Julie Marinucci**  
Land Commissioner

December 29, 2021

City of Mt. Iron  
Craig Wainio, Administrator/Clerk  
8586 Enterprise Dr S  
Mt. Iron, MN 55768

Re: Proposed Sale of State Tax Forfeited Land

Dear Clerk:

The St. Louis County Board has approved the following property for sale at our February 17, 2022 Adjoining Owner auction:

175-0012-00830 - LOT 24, BLOCK 3, ANNS ACRES CITY OF MT IRON

This letter is being sent to you as a courtesy.

Please visit our website [www.stlouiscountymn.gov/landsales](http://www.stlouiscountymn.gov/landsales) for full listings of properties for sale.

Feel free to call or email if you have any questions or comments.

Sincerely,

Stacy Caldwell Melcher  
Senior Planner  
[melchers@stlouiscountymn.gov](mailto:melchers@stlouiscountymn.gov)

SCM/cdb

cc: File

☒ Land Commissioner's Office  
320 West 2<sup>nd</sup> Street, GSC 302  
Duluth, MN 55802  
(218) 726-2606  
Fax: (218) 726-2600

☐ Pike Lake Area Office  
5713 Old Miller Trunk Hwy  
Duluth, MN 55811  
(218) 625-3700  
Fax: (218) 625-3733

☐ Virginia Area Office  
7820 Highway 135  
Virginia, MN 55792  
(218) 742-9898  
Fax: (218) 742-9870

"Trust Lands, Managed For The People Of This County"