

CITY OF GRAND MARAIS
MINUTES
September 9, 2009

Mayor Hakes called the meeting to order at 4:30 p.m.

Members present: Tim Kennedy, Kay Costello, Sue Hakes, William Lenz and Jan Sivertson

Members absent: None

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood by teleconference

Mayor Hakes invited the public to speak during a period of open forum. Open Forum is limited to one half-hour. No person may speak more than 5 minutes or more than once. No one spoke.

Motion by Kennedy, seconded by Costello to approve the Agenda with addition of Storefront Loan and Rain Garden- Stormwater Management; August 28, 2009, Worksession Minutes; August 26, 2009, Worksession Minutes; August 26, 2008 Special Assessment Public Hearing Minutes; August 26, Minutes; and Payment of Bills. Approved unanimously.

Bev Wolke, Chamber of Commerce, and Rob Svadlenka, owner of Subway, are requesting approval of a \$15,000/5 year, 3% interest Storefront Loan for Grand Marais Enterprises, Inc. DBA Subway #14767. Subway will be remodeled with new signs, exterior paint, interior furnishings, interior paint, wall coverings, light fixtures, coolers, etc. Over \$15,000 of the project cost is in storefront improvements consistent with the rules of the Storefront Loan Program. The Chamber of Commerce recommends approval of the Grand Marais Enterprises, Inc. Storefront Loan Application.

Motion by Hakes, seconded by Lenz to approve \$15,000 Storefront Loan to Grand Marais Enterprises, Inc. DBA Subway #14767. Approved unanimously.

Tristan Beaster, Cook County Soil and Water, is requesting an amendment to the Cost-Share Assistance Contract to build a demonstration rain garden by the library. The low bid came in higher than expected. The total cost of the raingarden projects is \$13,159. The city share of the project would increase from \$1,965 to \$3,389.69. The city can provide a match with staff time and equipment. We have already contributed approximately \$900 in city staff time. Two bids were received: \$10,323.76 and \$19,070.00.

Motion by Kennedy, seconded by Costello to approve the Cost-Share Assistance Contract Amendment for FY0708-3 for the Grand Marais Stormwater Projects increasing the project cost estimate from \$7,859 to \$13,159 and increasing the city cost-share from \$1,965 to \$3,289.69. Approved unanimously.

Motion by Kennedy, seconded by Costello to approve awarding the Rain Garden Project to Rick Crawford in the amount of \$ 10,323.76. Approved unanimously.

The following businesses have requested liquor license renewals for 2009-10. This renewal period will cover October 1, 2009 to September 30, 2010. After City approval, the renewal forms are sent to the state for their review.

Before forwarding to the State, each applicant will have completed the appropriate paperwork, including proof of insurance, and paid the necessary fee. All renewals are contingent on a successful background check by the Sheriff.

Number	Licensee	Business	License Type	Fee
2009-01	BSR Inc.	Harbor Light	Liquor/Sunday	\$2,500
2009-02	Larsen Brothers LLC	Birch Terrace Supper Club	Liquor/Sunday	\$2,500
2009-03	Sven & Ole's Inc.	Sven & Ole's Pizza	Liquor/Sunday	\$2,500
2009-04	Jeffrey William Gecas	Gun Flint Tavern	Liquor/Sunday	\$2,500
2009-05	Am Leg 413	American Legion Lounge	Club	\$700
2009-06	Paul Sporn	My Sister's Place	Wine/Beer	\$440
2009-07	The Crooked Spoon Café, Inc.	The Crooked Spoon Café	Wine/Beer	\$440
2009-08	Chez Jude LLC	Chez Jude	Wine/Beer	\$440
2009-09	George Wilkes	Angry Trout Café	Wine/Beer	\$440
2009-10	The Little Canteen LLC	Hughie's Taco House	Wine/Beer	\$440
2009-11	Nies, Chris/Brigette	The Wild Onion	Wine/Beer	\$440
2009-12	Toftey, Harley/Shelly	Dockside Fish Market	Wine/Beer	\$440
2009-13	Schulte Enterprises, Inc.	Grand Marais Superamerica	3.2 Beer Off-Sale	\$110
2009-14	Mike Quaife	Mike's Holliday	3.2 Beer Off-Sale	\$110

Motion by Lenz, seconded by Sivertson to approve Liquor Licenses 2009-01 through 2009-14. Approved unanimously.

Motion by Kennedy, seconded by Lenz to approve Resolution 2009-10 Approving Preliminary 2009 Tax Levy Collectible in 2010 in the amount of \$802,657. Approved unanimously.

Council set the Truth in Taxation Public Hearing for December 9th at 6:00 p.m.

Council discussed the 1% Sales Tax Referendum. Sivertson has gathered a group and created a plan and a fact sheet to educate the public about the 1% Sales Tax questions. A forum is scheduled for October 13th between 6:30 and 8:30. Broadband is conducting a separate campaign. The general group will be placing large newspaper ads, contacting citizens by phone, creating lawn signs, newspaper articles, and webpage on Boreal Access and WTIP. There are a lot of places to inform the public. The 1% Sales Tax is a once in a lifetime opportunity that may not be available again. Diane Booth will meet with volunteers tomorrow at 4:30 p.m. Council was advised by counsel, Chris Hood, that depending upon the date when the 1% sales tax legislation was created, no public funds

can be expended to pass the referendum. If council or staff members wish to volunteer their time, they must be clear about their individual involvement and not hold out their position as a city councilor or city employee. City staff has been advised not to be involved in the sales tax promotion. Volunteers will meet every Wednesday at 9:30 a.m. at the Community Center. The referendum question will be by mail ballot to all Cook County voters. Ballots will begin being mailed on October 14, 2009. The ballots will have two questions: 1) Should we impose a sales tax? – needs a simple majority. 2) Should the county be allowed to operate a telecommunication utility? – needs a 65% majority vote. Blank ballots will be considered a non-vote.

City Administrator Roth gave an update on the Special Assessment Hearing. Terry Quinn's situation is an unfortunate situation. We are not sure that connecting sewer and water from the Gunflint Trail would have been a good situation. He owns a large parcel of property that could be developed with more than one structure and that could be split into two parcels. The birdbath at the Floe residence is not in their yard, but in the street adjacent to their property. There is not a storm sewer system to connect to there. We can have the city engineer look at it, but it is unlikely that there is a cost effective solution. We have not received any applicants for special assessment deferral. The deferral is based upon income, age, disability and the property must be your primary residence.

Councilor Sivertson's Report:

- 1) Nancy Grabko is working through the EDA to complete five home rehabilitation projects by December and is looking to have 10 more projects next year. Matt Geretschlaeger will be the housing inspector.
- 2) The EDA has a budget shortfall of \$30,000. They are asking for a levy increase.
- 3) Superior National Golf Course has a cash flow crisis. The \$100,000 loan from the city was to be repaid by October 15, 2009. Roth will explore this further with the EDA. There are 3 members of the EDA Board appointed by the city.
- 4) The EDA is recommending rezoning of 3 lots on the east side of the Cedar Grove Business Park. This request must come before planning and zoning and then come to the city council.

Council Kennedy's Report:

- 1) Biomass District Heating is meeting every week. We are putting together a business plan. SMMPA is coming later in the month. We have talked with bond counsel and are researching supplies and operating costs. There are no clear numbers yet. The Ely Committee hasn't even started. The work that CCLEP has done is clearly the difference. We are working with a spreadsheet to start the "what if" conversations. Ely will decide tonight whether they are willing to spend \$1,000 toward the project. We are tied with Ely in the grant application and they are not even close to making decision.

Finance Director Dunsmoor reported that our health insurance costs for 2010 will include a 5% increase over 2009. We had originally budgeted for a 10% increase. The 5%

difference is already included in your 2010 general fund budget and preliminary levy amount.

Mayor Hakes' Report:

- 1) Bonnie Dahl was in Grand Marais and writes the "Superior Way". This is the bible for sailing the Great Lakes. She writes about each harbor in detail. She writes that the new docks are a welcome addition and she was very pleased with the dredging. She also commended the park board and staff for a good job.
- 2) We need to think about where we go from here with our PAC-13 services. Holly Nelson performed this service for many years very at a very low cost for the time involved. Currently, the PAC-13 channel is running the same programming that he last provided with Dragon Boat Festival information. WTIP is updating their section of the PAC-13 channel. Staff will ask a few people if they can assist in determining what we should do and how to operate the system.

Motion by Kennedy, seconded by Lenz to adjourn the meeting. Approved unanimously.

There being no further business, the meeting adjourned at 6:39 p.m.