

CITY OF GRAND MARAIS
MINUTES
December 13, 2006

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

Members present: Mark Sandbo, Kay Costello, Bob Spry, and Tim Kennedy

Members absent: Edward Bolstad

Staff present: Mike Roth, Don Davison, and Kim Dunsmoor

Mayor Sandbo 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.

Bill Lenz stated that it would be a mistake to give the area of the East Bay Ramp away. It was new construction and should have been designed on their property.

Motion by Costello, seconded by Spry to adopt the agenda. Approved unanimously.

Motion by Spry, seconded by Kennedy to approve the November 29, 2006, Minutes with clarification that council approved a Memorandum of Understanding for auditing services for 2006 and 2007 with Walker, Giroux and Hahne, Ltd. Approved unanimously.

The Planning Commission recommends approval of Ordinance 2006-04 Amending City Code Chapter 26 Fees. The amendment would raise all zoning fees using valuation and adds costs above fees for projects with larger anticipated costs.

Motion by Kennedy, seconded by Costello to approve the First Reading of Ordinance 2006-04 Amending City Code Chapter 26 Fees and suggested that square footage be the determining factor for building permit fees rather than value of improvements. Approved unanimously.

Hal Greenwood, Planning Commission Chairman, stated that the proposed DeWester/DNR Land Exchange was withdrawn by Mr. DeWester after the comments at the county board meeting. Comments made at the county board meeting included water runoff problems if the hillside were to be developed, values are lopsided in DeWester's favor, and the property includes public snowmobile, hiking and skiing trails. The City Planning Commission recommended opposing the exchange. Hal asked that the city council sustain the Planning Commission's findings opposing the proposed land exchange.

Motion by Kennedy, seconded by Costello to oppose the proposed land exchange between DeWester and the DNR and to further oppose any future sale, exchange or transfer of the proposed property from the DNR. The DNR should maintain the recreation capability of the land. Approved unanimously.

Motion by Sandbo, seconded by Kennedy to table the DNR Safe Harbor Agreement and Request for Proposals until January when the newly elected council will be sworn in. Approved unanimously.

Mayor Sandbo was in favor of the marina because the DNR would have paid 98% of the costs of building the marina and cleanup of the old power plant site. Councilor Kennedy was disappointed that the DNR was unwilling to look at the existing marina.

The council interviewed two firms for city engineering services earlier in the day: RLK Kuusisto and Short Elliot Hendrickson, Inc.

Motion by Kennedy, seconded by Costello to hire Short Elliot Hendrickson, Inc. as the city engineer. Approved unanimously.

Jerry Shannon, Ehlers & Associates Inc., received five bids for the \$1,630,000 General Obligation Temporary Improvement Bonds, Series 2007A. The improvement bonds are for the infrastructure of the Cedar Grove Business Park and will be funded through sales of the lots in the business park. The low bid was from United Bankers Bank in Bloomington, Minnesota with a true interest rate of 3.8276%. The bonds will be delivered and dated January 9, 2007, with a maturity date of January 9, 2010.

Motion by Spry, seconded by Kennedy to approve Resolution 2006-23 Providing for the Issuance and Sale of \$1,630,000 General Obligation Temporary Improvement Bonds, Series 2007A, Pledging for the Security Thereof Special Assessments and Ad Valorem Taxes. Approved unanimously.

Jean Marie Modl, Art Colony Director, requested approval of the Arts Festival Permit scheduled for July 13-15, 2007. This is the 17th year for the festival.

Motion by Costello, seconded by Kennedy to approve the Arts Festival Permit for July 13-15, 2007. Approved unanimously.

Motion by Kennedy, seconded by Spry to approve the Art Colony's \$1,500 donation request for 2007. Approved unanimously.

The Union decided not to proceed with negotiations until the new personnel committee and council is in place. All the current members of the personnel committee terms expire in January.

Jan Helmke and Teresa Sterns, Gunflint Gals, asked again for approval of the handicap ramp they built on the sidewalk to access East Bay Suites. This issue has been before the council several times before. City Attorney Davison argued that we have not yet received an opinion from the Attorney General as of this date and that any easement should be able to be terminated by the city in a reasonable period of time. The proposed easement would only be able to be terminated through eminent domain. Mayor Sandbo

stated that this issue has been argued long enough and that the general public can utilize the ramp, as it exists. City Administrator Roth stated that future needs are unknown and that reasonable termination rights should be retained. Dehlia Siem, Gunflint Gals Attorney, argued that less permanent structures should have reasonable termination rights and that permanent structures should not be terminable.

Motion by Sandbo, seconded by Kennedy to grant easement for the handicap ramp providing access to East Bay Suites. Approved unanimously.

Councilor Kennedy's Report:

- 1) The EDA met yesterday and discussed the Cedar Grove Business Park:
 - a. Approved the contract with Northern Communities Land Trust
 - b. Lost one tenant in the professional building – the optician opted out of the project
 - c. Contractor is working on the sewer and water extension and making steady progress
 - d. Will commence with the selling of lots in January.

Councilor Costello's Report:

- 1) Would like to attend the League of Minnesota Cities Leadership Conference for elected officials. One focus will be land use controversies.

City Administrator Roth's Report:

- 1) Attended a meeting with a group of people hoping to utilize the 1% sales tax. The group may need to ask for the tax before February. There are a lot of quality of life issues and details that need to be worked out. This topic should be discussed at the first worksession in January.

City Attorney Davison's Report:

- 1) The DeWester land exchange proposal has been withdrawn: however, the DNR is considering selling the two 40 acre lots and we need to stay on top of these developments. A meeting should be called between the DNR, City, County, and School to discuss the future of the land.

Motion by Costello, seconded by Spry to adjourn the meeting. Approved unanimously.

The meeting adjourned at 5:28 p.m.