

CITY OF GRAND MARAIS
MINUTES
February 11, 2009

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

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

Members absent: Tim Kennedy

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

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.

Linder Pederson addressed the council regarding the market value of his home. The county assessor reduced his market valuation from \$167,000 to \$159,239. He also wondered if more improvements will be made to address the storm runoff issues on 2nd Street. He acknowledged that the larger culverts installed will help; however, he believes that the crown of the street should be raised and the ditch on the north side of the street should have been left in place rather than filled in during reconstruction of 2nd street. Recently, ice build up caused rainwater to run into his garage. He also believes that the runoff from Homestead Cooperative should be diverted into the storm sewer system.

Council will review the engineer's report and talk about options. The rain event of June 2008 was larger than we can plan for and many people had flooded basements.

Motion by Costello, seconded by Sivertson to approve the agenda with addition of E.D.A. and Personnel hire; January 28, 2009, Worksession Minutes; January 28, 2009, Minutes; and payment of bills. Approved unanimously.

Rod Wannebo updated the council about the Cook County Tennis Association Project and fund raising efforts. CCTA received \$44,800 USTA Public Facilities Grant Funds. They are working with S.E.H. preparing bid packages to be available by March 1 and expect to select a contractor by March 30, 2009. Project completion is targeted for July 1, 2009. Rod thanked the city for their contribution and support.

John and Kathy Holland and Andrew Warren addressed the council regarding their special legislation request to allow the Superior Inn and East Bay Suites to use a special on-sale liquor license. They would serve limited amounts of liquor to their guests and attendees of special events. The Holland's operate another business in Detroit Lakes where they were granted a liquor license through the same language of this special legislation as is presented to the City of Grand Marais. They submitted letters of reference from other businesses in the Detroit Lakes area that support the special legislation liquor license citing increased business due to their special events.

Motion by Costello, seconded by Sivertson to support the special legislation request of Superior Inn and Suites and East Bay Suites.

Ayes: Costello, Sivertson, Lenz

Nay: Hakes

Hakes would support the special legislation if other Grand Marais liquor license holders were in support of the request. The Holland's will approach other restaurants about this request.

The Friends of the Pool have raised \$7,000 toward a climbing wall for the pool. They are requesting that the city apply for a grant of \$5,000 for the climbing wall request because the Friends of the Pool haven't officially formed yet. The cost of the climbing wall is \$20,000, is portable and insurable. The climbing wall will be located in place of the removed diving board, will be roped off, and will only be used when there are two lifeguards on duty. They are hoping to attract 12-18 year olds to the pool.

Motion by Lenz, seconded by Sivertson to apply for the Lloyd K. Johnson grant for the climbing wall. Approved unanimously.

Matt Geretschlaeger, EDA Director, and Mike Littfin, EDA Superior National Golf Course Committee, request assistance from the city and the county to provide the start-up money of \$200,000 for Superior National Golf Course. During the past three years, they have used a line of credit from the bank: however, the state auditor told them that they could not use a private line of credit. The EDA Board is asking for an interfund or intergovernmental loan holding the equipment as collateral and providing an interest rate of 6%. Superior National Golf Course received a \$100,000 grant from IRRR and \$45,000 from the county to connect a paved cart path. They expect this to help lost revenue after a rain.

Motion by Sivertson, seconded by Lenz to loan up to \$200,000 with a strong desire for \$100,000 county participation with the condition of the legality of the transaction as evidenced by a written opinion from the state auditor, opinion of Ehlers, and the city's bond counsel. Approved unanimously.

The council discussed the marina/safe harbor communications. Mayor Hakes sent Oberstar an email introducing herself and asking about the marina project. Oberstar responded that we should direct our efforts toward the Army Corps of Engineers and send a project description and cost estimate to his administrative assistant. When they take up the Water Resources Development Act later this year, they will consider project requests. Mayor Hakes called the DNR and they are willing to meet with us in March. A tentative meeting date was set for March 17 from 9:00 – noon.

The Property Maintenance Supervisor position was advertised and applications reviewed. The Personnel Committee is recommending hiring our internal applicant, Tom Stockman.

Motion by Hakes, seconded by Lenz to promote Tom Stockman to Property Maintenance Supervisor. Approved unanimously.

During budget discussions and anticipation of a loss of Local Government Aid, we considered reducing the street department from 2 full-time employees to 1 full-time and 1 part-time employee. This would save about \$40,000 per year. Council discussed the consciousness of hiring a part-time employee vs. full-time with benefits to attract qualified employees.

Motion by Hakes, seconded by Costello to advertise for a part-time property maintenance worker. Approved unanimously.

The Property Maintenance Supervisor is a member of the union. This is the only department head position that is in the union. City Administrator recommends going through the steps to make the position non-union.

Motion by Lenz, seconded by Hakes to approve the Property Maintenance Supervisor Job Description and go through the steps to necessary to determine if the position should be a “non-union” position. Approved unanimously.

Motion by Hakes, seconded by Sivertson to appoint Hal Greenwood to the EDA Board for a 6-year term. Approved unanimously.

Motion by Costello, seconded by Lenz to appoint Carol Backlund to the Planning and Zoning Commission. Approved unanimously.

Councilor Sivertson’s Report:

- 1) Buck and George presented their CCLEP ideas to the EDA Board. The EDA will work together with CCLEP on economic development ideas.
- 2) The housing coordinator is doing a good job with the Creechville assessment abatement project and housing rehabilitation project in Lake and Cook counties.

Councilor Lenz’ Report:

- 1) The boaters like the idea of two new docks in the shallow area of the marina: however, the response to ½ the marina rate was not good. The Park Board may consider charging twice the on-shore rate at their next meeting. The new docks will have places for 8 boats.
- 2) The next Park Master Planning meeting will be February 17th at 3:30 p.m.

Councilor Costello’s Report:

- 1) The Library Board meeting to discuss definitive ideas and costs in response to a request from the Sales Tax Committee was rescheduled due to the ice storm. In response to the current economic situation, the Library Board is considering how to make the current space work better. The quiet room is taking shape. One of the main issues is the tight workspace of the library employees.

Mayor Hakes' Report:

- 1) Met with Jim Wiinanen, Emergency Management Director, and took online training. This training is available to all the councilors.

City Attorney Davison's Report:

- 1) Attended the Annual City Attorney Conference. Due to state budget impacts, they are talking about closing courtrooms that do not have a sitting judge. This would mean closing the Cook County Court and making all our court issues be held in Two Harbors.

City Administrator Roth's Report:

- 1) Met with the county, DNR, MNDOT, school, and Arrowhead Transit to talk about a joint maintenance facility. There is positive discussions exploring the idea, but having a joint facility is still several years out.

There being no further business, the meeting adjourned at 6:38 p.m.