

**CITY OF GRAND MARAIS**  
**MINUTES**  
**JULY 9, 2008**

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

Members present: Evelyn Larsen, Kay Costello, Tim Kennedy, Wm. Lenz, and Edward Bolstad

Members Absent: none

Staff Present: Mike Roth, Don Davison, and Tina Hanson

Mayor Larsen invited the public to speak during a period of open forum. Open forum is limited to one half-hour. Hal Greenwood chose to speak regarding the discussed noise ordinance. From his past experiences, it is a difficult thing to control and urged the council not to pursue it.

**Motion by Bolstad, seconded by Lenz to approve the consent agenda.**

Costello questioned the joint meeting minutes of June 24, 2008. No second page for the meeting was included in the packet. Kennedy questioned the council minutes of June 25, 2008. The minutes did not reflect who made the motion, nor who seconded it for the approval of Resolution 2008-16. Kennedy requested the library budget approval be added to the agenda.

Contingent on the 2<sup>nd</sup> page being added and the correction in the minutes, and the addition to the agenda,

**Motion approved unanimously.**

**Motion by Kennedy, seconded by Larsen to approve the North Shore Federal Credit Union Street and Sidewalk request. Passed Unanimously.**

The Council discussed the Dragon Boat Festival request. Kennedy brought up the noise caused by festivals and felt standards should be put into place. There should be guidance for the festivals, individuals and ultimately, law enforcement. After discussion, the Council agreed that the portable toilet request be struck, Dragon Boat committee will be in charge of all their own vendors, and the committee and vendors will take care of their own garbage and removal.

**Motion by Kennedy, seconded Bolstad to approve Dragon Boat Festival request with above changes. Passed unanimously.**

Jamie Mehle presented the bids for the street and utility project. The engineer's estimate was \$2,161,295.05 and the low bidder was Redstone Construction Company of Mora, MN with a bid of \$2,046,312.06. Redstone has done work in Cook County in the past. Mehle recommended awarding the bid to Redstone. Mehle roughly broke down the costs – Creechville approximately 422,000. and street utility work at 1,624,375.

**Motion by Bolstad, seconded by Lenz to accept and award the bid to Redstone.**

There was further discussion regarding the agreement. Mehle said the real unknown is the amount of rock in Creechville. There is a penalty clause in the agreement for incompleteness by a certain date. He thought that date was sometime in July 2009. Mehle felt the penalty was maybe \$1500. per day after the closure date. He said what is opened this fall must be covered before winter.

**Motion passed unanimously.**

Mehle went on to report that he and Mayor Larsen had met with homeowner Linder Pederson this a.m. as his home and property had gotten hit very bad during the June flooding due to clogging of culverts. One option to try to help alleviate flooding would be to extend a storm lead west about 150 ft. and put in a second catch basin. If this were added to the new project with Redstone, it would cost approximately \$17,000. Bolstad questioned the impact this presently has on the lower streets and other areas and what would happen if we did this. Roth stated that on 10<sup>th</sup> and 11<sup>th</sup>, there is not adequate ditching or culverts. We should be sure the money spent will actually have an impact on the flooding. Larsen asked it to be studied more and possible come back with ideas and cost estimates. A full fledged feasibility study is not called for.

The Spindler variance request was in regards to a sign, that if it were a freestanding sign, would not require a variance. The Spindler's would like to attach it to the building.

**Motion by Costello, seconded by Lenz, to approve the variance request.**

**Ayes: Bolstad, Larsen, Costello, Lenz     Abstain: Kennedy** (owns the building)

Bolstad questioned the status of the old Shoreline sign on the corner of Hwy. 61 and Broadway. He'd like to see it replaced. Roth said he'd send a letter to the owners.

John McClure variance request was for his deck area to be enclosed into a family room. The existing home sits on an oversized lot and does not meet the set backs due to the age of the house.

**Motion by Bolstad, seconded by Larsen to approve the variance request. Passed unanimously.**

Roth announced that Planning and Zoning Commissioner Andy Brostrom will be moving outside the city limits and thus can no longer serve on the board. Roth will put an ad in

the paper for a replacement but strongly suggested that word of mouth is much better for filling the vacancy.

The Council discussed the deferred Special Assessment Policy. Payments made on this in the beginning is mostly interest. If deferred, interest would not be accrued until the home no longer qualifies for deferment. The costs for deferring any special assessments will have to be made up by the rest of the special assessment project/owners. Council agreed not to make assets a criteria for the deferral.

**Motion by Kennedy, seconded by Bolstad to accept the deferred special assessment policy as presented. Passed unanimously.**

Bev Wolke, representing the Chamber of Commerce, presented two store front loan requests – Detrick Building, requesting \$10,000. and Eight Broadway, requesting \$15,000. Present interest rate is 3% and there is plenty of revenue in the fund for the requests.

**Motion by Kennedy, seconded by Bolstad to approve the loan requests contingent on receiving a copy of Chamber minutes showing their approval of the loans. Passed unanimously.**

Roth reported that the Federal Government made an adjustment to their mileage reimbursement starting July 1, 2008 going from .505 cents per mile to .585 cents per mile. He is requesting the same rate of mileage reimbursement.

**Motion by Costello, seconded by Lenz to approve the adjustment in reimbursement. Passed unanimously.**

Roth reported that the audit report is done. Gary will come and present it to the council. He shall be making arrangements with Gary as to when he shall make his presentation.

Roth explained to the Council that the Liquor Store has a problem with an employee during probationary period due to unexcused absences. Roth and Pat Hennessy, Liquor Store manager, recommend replacing the employee with another candidate that had been interviewed.

**Motion by Bolstad, seconded by Lenz to approve the termination of Joseph Kelahan and the hiring of Buffy Butz as liquor store clerk. Passed unanimously**

**Motion by Costello, seconded by Kennedy to approve the Library 2009 budget as presented. Passed unanimously.**

Lenz reported that the Corps has a place to dispose of dredging materials. Roth concurred and reported that Rick Austin wants the fill and is presently working on his permit for the fill. The dredging has less contaminants-toxins are not at high levels and is acceptable fill. Lenz asked when interviewing for the Park Manager position will take place. Roth

felt the committee will meet next week for a review, set up interviews and hopes to have a candidate(s) for Council review at their next meeting.

Kennedy reported that the Sawtooth cottage bids were going to be reviewed during a special meeting.

Costello reported the Joint Powers Rec Board met last week and their next task was to ask the County Board for direction. They won't spin their wheels anymore She was on WTIP regarding the sales tax. She was questioned whether the pool or library could be relocated to the old power plant site. The Council felt that would have to be discussed with Land Trust and also based on what the City really wants for that area.

Bolstad reported that SMMPA won't be requiring us to generate this summer due to the high costs of running our engines. We shall still get paid to stand by.

City Attorney Don Davison reported that he is pleased – the town is busy but crime, overall is down.

Larsen stated that Lynn Schulte has requested the disclosing of the appraisal of their property. As the City is no longer negotiating for it, can it now be opened for public viewing. Roth reported it can and the full report at 10 cents a sheet could be released.

Kennedy complimented the Chamber on their successful Timber Days celebration over the fourth of July weekend.

Roth brought up the proposal to contract with SEH as construction administrator for the street and utility project at an estimated cost of \$200,000. Staking and surveying would be approximately \$40,000. with the remaining \$160,000. for construction administration. These figures are based on hourly rates for the different jobs they perform. This proposal was included in the total cost of the project. Roth recommended the Council hire SEH to continue on as the construction administrator. The Council requested an hourly cost breakdown for the different jobs that will be performed.

**Motion by Kennedy, seconded by Bolstad to approve the proposal. Passed unanimously.**

**Motion by Bolstad, seconded by Kennedy to adjourn. Passed unanimously.**

There being no further business, the meeting adjourned at 5:51 p.m.