

CITY OF GRAND MARAIS  
MINUTES  
October 8, 2008

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

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

Members absent: William Lenz

Staff present: Mike Roth, Don Davison and Kim Dunsmoor

Mayor Larsen 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 Bolstad, seconded by Costello to approve the Agenda; October 8, 2008, Minutes with correction to page 2 noting that Kennedy asked for the marina committee suggestion to be brought back to the council with a clear purpose and that no action was taken; and Payment of Bills. Approved unanimously.**

Harley Toftey, Grand Marais Business Council, spoke in opposition to a new marina committee that would be hand picked by the council. The Grand Marais Business Council is in its 2<sup>nd</sup> year and represents about 60 businesses. The GMBC supports a fair and open process, supports the last resolution, and requests that the full council discuss any marina issue.

Council responded that no committee had been formed and that no action had been taken at the last council meeting. A clear purpose of the committee will be discussed and be in writing before a committee would be formed. There is no rush to form the committee because of the financial situation.

John McClure, McClure Insurance Agency, asked to be reinstated as the city's Blue Cross Blue Shield agent. He suggested changing the city's VEBA plan to an H.S.A. Plan, stated that the Northeast Service Cooperative charges the city 10% of premiums for the rate stabilization fund, that he can help with adverse claim selection, and that he took legal action against Blue Cross Blue Shield when the county and hospital removed him as their agent. He did not include the city in that action because he was still receiving his commission. The city responded that none of the employees had used John's services in three years. The VEBA is still a good plan and a H.S.A. would have cheaper premiums, but a much higher deductible and we are not convinced that it would be a better plan. Any health insurance change would need to be accepted by the employee union and will take a much longer time than from October to December to research with the employees. The adverse claim selection is a very specific example that doesn't seem a likely option for the City of Grand Marais. Further, the county did not even know about the outcome of the legal action against Blue Cross Blue Shield because they removed him as their agent. Any legal action would not directly affect the city.

**Motion by Bolstad, seconded by Costello to not reinstate McClure Insurance Agency as the city's agent.**

Kennedy would like to give this more thought and gather information from the employees about this situation. Bolstad withdrew his motion.

The 2008 Improvement Project is moving quickly and we have heard very few complaints. All the utility work, curb and pavement are done on 6<sup>th</sup> and 3<sup>rd</sup> Avenues West. The landscapers have begun on their work. 1<sup>st</sup> and 2<sup>nd</sup> Avenues West are in different stages of completion. We anticipate that they will be done in about two weeks. The contractor would like to begin Creechville on Monday: however, we are not certain if the pavement can be laid in time for winter.

**Motion by Bolstad, seconded by Kennedy to approve 2008 Improvements Pay Estimate #2 in the amount of \$462,388.87 to Redstone Construction. Approved unanimously.**

Jamie Mehle, S.E.H., discussed the flooding at 2<sup>nd</sup> Street and 11<sup>th</sup> Avenue E. The survey crew found that what was in the plans was not what was existing. Three options were presented to the council: 1) Upgrade to a 10-year event in the amount of \$10,600, 2) Upgrade to a 50-year event in the amount of \$12,200, or 3) Upgrade to a 100-year event in the amount of \$12,200. Jamie cautioned that there is no realistic outcome related to the June 6, 2008, storm that exceeded the 100-year storm prediction for a Grand Marais Rain Event.

**Motion by Bolstad, seconded by Kennedy to upgrade culverts to a 24-hour 100-year event in the amount of \$12,200. Approved unanimously.**

Mark Sandbo, Grand Marais Hotel Company, requested a variance to construct a 120 square foot freestanding sign, larger than the allowed 100 square feet. This sign located on the southeast corner of the Hwy 61 and Broadway intersection will replace the existing Shoreline Motel sign and be both shorter and smaller. A public hearing was held October 1, 2008, and no comments were received. The Planning Commission found that the current sign is in disrepair, the new sign will be both shorter and smaller and recommended approval of the variance by a 3-0 vote.

**Motion by Bolstad, seconded by Kennedy to approve Resolution 2008-24 The Grand Marais Hotel Co. Variance. Approved unanimously.**

**Motion by Bolstad, seconded by Costello to approve Resolution 2008-25 To Participate in a Hazard Mitigation Planning Process with the County of Cook. Approved unanimously.**

Animal Advocates are requesting some repairs at the dog pound including a temporary outdoor kennel. Council directed City Administrator Roth to talk with the Sheriff and County Engineer regarding a new site for the dog pound.

Councilor Costello's Report:

- 1) The Library Board created a document for the 1% sales tax discussion presenting the issue of the library outgrowing its space.
- 2) The Library is seeking quotes to remodel the southwest corner for a quiet space.
- 3) The Sales Tax Steering Committee meets tonight at 7:00 p.m.

Councilor Bolstad's Report:

- 1) The PUC will be meeting soon to discuss rates for 2009. We are now receiving rate information from our power supplier.

City Administrator Roth's Report:

- 1) The last annexation has not gone forward because we forgot to include a filing fee. The filing fee is included in the current payment of bills. Then the annexation hearing will be scheduled.

Councilor Kennedy's Report:

- 1) The EDA decided not to go forward with Sawtooth Cottages. They are still looking at affordable housing options.

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

There being no further business, the meeting adjourned at 5:43 p.m.