

CITY OF GRAND MARAIS
MINUTES
January 10, 2006

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

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

Members absent: None

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.

John Haluska, Harbor Friends, asked the council consider two resolutions: one rescinding Resolution 2005-16 Authorizing Design Process for Safe Harbor Marina Project and one authorizing a proposal for redevelopment of the existing marina.

Molly Hoffman, Harbor Friends, would like the council to consider wetland restoration at a site near the old power plant. Restoring wetlands would filter sediment, reduce brush and improve the view from the recreation park. There are grants available for wetland restoration.

Motion by Bolstad, seconded by Costello to approve the Agenda; December 20, 2006, Minutes; and Payment of Bills. Approved unanimously.

Motion by Kennedy, seconded by Bolstad to appoint Mark Sandbo to the Economic Development Authority.

Ayes: Kennedy, Bolstad, Costello

Nay: Larsen, Lenz

Motion by Bolstad, seconded by Larsen to appoint David Quick to the Library Board. Approved unanimously.

Motion by Lenz, seconded by Larsen to appoint Jo Haluska to the Library Board.

Costello would have liked to nominate Alice West to the Library Board based on her resume and associations in the community. Jo Haluska withdrew her application in favor of Alice West.

Motion by Bolstad, seconded by Kennedy to appoint Alice West to the Library Board. Approved unanimously.

Motion by Larsen, seconded by Bolstad to appoint Clayton White to the Park Board. Approved unanimously.

Motion by Costello, seconded by Bolstad to appoint Lindsay Mielke to the Park Board. Approved unanimously.

Motion by Bolstad, seconded by Costello to appoint Bob Spry to the Public Utilities Commission. Ayes: Bolstad, Costello, Kennedy Nays: Larsen, Lenz

Motion by Kennedy, seconded by Bolstad to continue notice of vacancy of the Joint Powers Recreation Board and table appointments until the first meeting in February. Approved unanimously.

The Cable Board was discussed and positions will be advertised for the Cable Board.

Council members were nominated to various boards and commissions as follows:

Board Name	Council Representative
Cable Board	Ed Bolstad
Economic Development Authority	Tim Kennedy
Library Board	Kay Costello
ARDC Board	Bill Lenz
North Shore Management Board	Ed Bolstad
Joint Powers Recreation Board	Kay Costello
Park Board	Bill Lenz
Personnel Committee	Evelyn Larsen, Bill Lenz
Planning Commission	Tim Kennedy
Public Utilities Commission	Ed Bolstad
Safety Committee	Tim Kennedy
Public Utilities Board	Kay Costello, Evelyn Larsen, Bill Lenz

Motion by Bolstad, seconded by Costello to adopt the appointments to the boards and commissions as presented. Approved unanimously.

Motion by Larsen, seconded by Bolstad to appoint Kay Costello as Acting Mayor. Approved unanimously.

Two bids were received for legal newspaper services. The Cook County Star was the low bidder for legal publications, which make up the majority of our business.

Motion by Kennedy, seconded by Lenz to designate Cook County Star as the Official City of Grand Marais Newspaper. Approved unanimously.

Motion by Kennedy, seconded by Lenz to approve the following list of Official City Depositories for 2007:

**Grand Marais State Bank
North Shore Federal Credit Union
Security State Bank
LMC/4M Fund
RBC Dain Rausher
Smith Barney Citigroup/Citigroup Global Markets, Inc.
Miller, Johnson, Steichen, Kinnard**

Approved unanimously.

The DNR Safe Harbor Agreement and RFP were tabled in December for the 2007 Council's consideration.

Motion by Lenz, seconded by Costello, to rescind Resolution 2005-16 Authorizing Design Process for Safe Harbor Marina Project. Approved unanimously.

Motion by Bolstad, seconded by Kennedy to increase the Travel Policy mileage rate to 48.5 cents per miles driven, the standard rate established by the Internal Revenue Service. Approved unanimously.

The City of Grand Marais closed on the \$1,630,000 General Obligation Temporary Improvement Bonds, Series 2007A on January 9, 2006. The bond will be paid by Special Assessments from the Cedar Grove Business Park. The Economic Development Authority approved Partial Pay Estimate #1 on January 9, 2006, to pay KGM Contractors for infrastructure completed through January 5, 2007. The City will hold the bond proceeds and pay the Economic Development Authority as pay estimates are received and approved.

Motion by Kennedy, seconded by Larsen to approve Partial Pay Estimate #1 to the Economic Development Authority in the amount of \$488,878.26. Approved unanimously.

The Economic Development Authority approved the Agreement for Assessments and Waiver of Irregularities and Appeals on January 9, 2007, agreeing to assess each platted lot in the Cedar Grove Business Park \$60,000, due and payable and shall be paid out of the closing proceeds at the time of sale.

Motion by Kennedy, seconded by Bolstad to approve the Agreement for Assessments and Waiver Irregularities and Appeals with Cook County/Grand Marais Economic Development Authority. Approved unanimously.

The Community Center master plan includes a horse arena. Some of the horse arena designated area is owned by the City. We expect an official request in the near future for use or sale of that piece of property.

A group has met about the 1% Sales Tax issue. The group will reconvene on January 25, 2007, at 3:00 p.m. in the Commissioner's Room at the Cook County Courthouse. The

council scheduled a worksession for 3:30 p.m. on January 24, 2007, to discuss the city's ideas about the 1% sales tax. Future worksession items should include a prioritization of projects and discussion about the direction of the pool.

Mayor Larsen's Report:

- 1) Thanked the public for attending the meeting and invited citizens to call her at home to discuss issues.

Councilor Lenz' Report:

- 1) Thanked the voters for their support and pledged to be fair and do the best job he can.

Councilor Kennedy's Report:

- 1) There is an Upper Deck Forum scheduled for January 11, 2007, to talk about Cedar Grove Business Park and Sawtooth Cottages.

Councilor Costello's Report:

- 1) The Library Board is moving forward planning with architects and consultants on the best way to expand the library considering the green space and parking issues.

Councilor Bolstad's Report:

- 1) The Public Utilities Commission will meet tomorrow.
- 2) There is an upcoming outage planned for the entire shore while Great River Energy and Arrowhead Electric do work on the transmission lines. Grand Marais will experience a short outage while the generation plant is brought online during Great River Energy's outage.
- 3) While happy that Resolution 2005-16 was rescinded by the council, we still have the obstacle of the removal of the old power plant building.

City Administrator Roth's Report:

- 1) Would like to schedule a public hearing for January 31, 2007, at 4:30 p.m. to discuss our application for Small Cities Grant to put infrastructure in Creechville.
- 2) The DNR would like to meet with the city and county on January 31, 2007, to discuss the DNR property north of the city limits.

City Attorney Davison's Report:

- 1) Asked for permission to attend the League of Minnesota Cities conference in February 9-10, 2007.

Motion by Bolstad, seconded by Kennedy to approve City Attorney Davison's attendance at the League of Minnesota Cities Conference February 9-10, 2007. Approved unanimously.

- 2) Virginia Killmer (Massie) wanted to share a badge with Mayor Larsen that was worn by Mayor Massie when he served the village. The badge was presented.

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

There being no further business, the meeting adjourned at 5:30 p.m.