

AGENDA
CITY COUNCIL MEETING
September 27, 2016
9:00 A.M.

A. 9:00 Call to Order

B. Roll Call

C. Open Forum

The public is invited to speak at this time. Open Forum is limited to one half-hour. No person may speak more than five (5) minutes or more than once. Each subject will have a limit of ten (10) minutes. Council members may ask questions of the speaker. With the agreement of the Council, such matters taken up during the open forum may be scheduled on the current agenda or a future agenda.

D. 9:05 Approve Consent Agenda

1. Approve Agenda
2. Approve Meeting Minutes
3. Approve Payment of Bills
4. Moose Mosey Permit

E. 9:10 Resolution 2016-12 Concurring with PUC
SMMPA Agency Agreement Amendment

F. 9:15 Other items as necessary

G. 9:20 Council & Staff Reports

H. Attached correspondence:

1. Other Meeting Minutes
2. Upcoming Meeting Schedule

I. 9:30 Adjourn

*CITY OF GRAND MARAIS
MINUTES
September 14, 2016*

Mayor Arrowsmith-DeCoux called the meeting to order at 6:30 p.m.

Members present: Anton Moody, Tracy Benson, Dave Mills and Jay Arrowsmith-DeCoux

Members absent: Tim Kennedy

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood

Mayor Arrowsmith-DeCoux invited the public to speak during a period of open forum.

Hal Greenwood, Planning Commission, was not able to make the last planning commission meeting, attended the council meeting to advocate for the Spry building to have grandfathered status for a commercial use in the residential zone.

Jim Boyd, Chamber of Commerce, stated that Spry has been paying commercial taxes for years and advocated for rezoning the Spry building to Mixed Use or Commercial.

Tod Sylvester commended the Planning Commission for doing the right thing by denying the Spry rezoning request because it is not in the best interest of the community. The only thing that the buyers cannot do now is vacation rentals.

Betsy Bowen supported the buyers of the Spry building to have a sense of assurance that they can continue the current use, R-1 with commercial uses.

Motion by Mills, seconded by Benson to approve the Agenda; August 31, 2016, Minutes; and Payment of Bills. Approved unanimously.

Bob Spry(owner) and Steve Surbaugh(one of two buyers) are requesting a zoning map amendment to rezone their property located at Lots 20, Block 44, Village Plat and Lot 1, Block 1, Harbor Addition from R-1 permanent residential to MU Commercial residential mixed use. Surbaugh and Larsen are expanding their business and intend to continue the existing leases on the main floor and expressed their need for flexibility in using the upper floor in order to justify the investment in the property. They may want to add an office for their business on the upper floor or add employee housing. The Planning Commission held a public hearing to consider the request on September 7, 2016. The Planning Commission expressed their support for the continued mixed use of the property and did not see how rezoning was necessary to continue the existing uses. They were concerned about the additional uses that would be allowed if the property were rezoned, particularly vacation rentals that could displace the existing residential uses on the upper floor. The Planning Commission found that the expansion of commercial uses in the residential zone is not consistent with the comprehensive plan, that no mistake was made in the original zoning and that there are many commercial properties available for sale or rent. The Planning Commission recommended denying the rezoning application by a 4-0 vote.

The council discussed the Spry/Surbaugh rezoning request. The building currently has a non-conforming status that can continue the current use of commercial and residential uses. The language in the ordinance and in statute for a non-conforming use is not completely clear. The

City Attorney stated that it is clear that the first floor retains non-conforming status. The second floor was converted to conforming status and the general presumption is that once the use is conforming, it must stay conforming, notwithstanding the first floor. The buyers of the property wanted to make sure that they could continue the current status of the building and would like to have more options to make the numbers work. The owner of the building has financed the building as a commercial loan and questioned the status of different zoning in the same building and will need grandfathered status to move forward. The Planning Commission will look at changes to the non-conforming language in the ordinance to provide clarity. Councilor Moody stated that the building looks like a commercial building and that maybe a mistake was made in the original zoning. Councilor Mills wanted zoning to be more nimble noting that we need more long-term housing, more businesses and more flexibility. Councilor Benson noted that the original building was commercial; however, the living space above the commercial space was added later and has always been a residential use.

Motion by Arrowsmith-DeCoux, seconded by Mills to amend Resolution 2016-10 A Resolution of the City of Grand Marais, Minnesota Denying the Spry/Surbaugh Request for a Zoning Map Amendment excluding criteria #2.

Ayes: Arrowsmith-DeCoux, Mills, Benson

Nay: Moody

Motion by Arrowsmith-DeCoux, seconded by Mills to approve Resolution 2016-10 A Resolution of the City Council of the City of Grand Marais, Minnesota Denying the Spry Surbaugh Request for a Zoning Map Amendment.

Ayes: Arrowsmith-DeCoux, Mills, Benson

Nay: Moody

Motion by Moody, seconded by Mills to approve liquor license renewals for 2016-17 contingent upon a successful background check by the Sheriff:

Number	Licensee Name	Trade Name	License Type
2015-01	My Sister's Place Inc.	My Sister's Place	Wine/Beer
2015-02	Larsen Brothers of Grand Marais LLC	Birch Terrace Supper Club	Liquor/Sunday
2015-03	Sven & Ole's Inc.	Sven & Ole's Pizza	Liquor/Sunday
2015-04	Gunflint Tavern on the Lake LLC	Gun Flint Tavern	Liquor/Sunday
2015-05	Am Leg 413	American Legion Lounge	Club
2015-06	The Crooked Spoon Café, Inc.	The Crooked Spoon Café	Wine/Beer
2015-07	Harbor House Grille LLC	Harbor House Grille	Liquor/Sunday
2015-08	Northwind Sailing Inc.	Angry Trout Café	Wine/Beer
2015-09	Schulte Enterprises Inc.	Grand Marais Superamerica	Beer-Off
2015-10	Cook County Curling Club	Cook County Curling Club	Beer
2015-11	The Little Canteen LLC	Hughie's Taco House	Wine/Beer
2015-12	Harley & Shele Toftey	Dockside Fish Market	Wine/Beer
2015-13	The L.M. Family, L.L.C.	The Pie Place Café	Wine/Beer
2015-14	Moose Cream LLC	Sydeny's Frozen Custard	Wine/Beer
2015-15	Gunflint Tavern on the Lake LLC	Gun Flint Tavern	Growler
2015-16	Three Families Brewing LLC	Voyageur Brewing Company	Taproom/ Growler

Approved unanimously.

Council discussed the preliminary levy. The department heads have submitted their budgets with no changes to services which calculates to a 5.49% increase. Council discussed capital improvement projects and the speed at which they would like to complete them. When bids are received for the public works facility, we will have Ehlers come for a worksession and discuss how we are going to pay for our capital improvement plan.

Motion by Moody, seconded by Mills to approve Resolution 2016-11 Approving the Preliminary 2015 Tax Levy, Collectible in 2017 in the amount of \$919,769.88. Approved unanimously.

Motion by Mills, seconded by Benson to approve the Request for Proposals Construction Management for the City of Grand Marais Public Works Facility dated September 15, 2016. Approved unanimously.

A bid was received for the visitor information center building at 1800 W Hwy 61. Council discussed whether the building could be repurposed on the current site and decided that the building was not worth the risk to keep.

Motion by Benson, second by Moody to accept the bid for \$1,000 for the old visitor center by Jorgenson. Approved unanimously.

A bid was received for 2 small cabins, the 4-plex units and the garage located in the middle of the motel. Council decided that they did not want the motel part of the property to be opened up before it is determined what will be done with the rest of the motel.

Motion by Moody, seconded by Arrowsmith-DeCoux to accept the bid for 2 small cabins and the 4-plex building at \$107 each. Approved unanimously.
The bidder will be contacted when we are ready to sell the garage.

Councilor Mills' Report:

- 1) The Park Board questioned the responsibilities of the park staff regarding downtown operations.

Councilor Benson's Report:

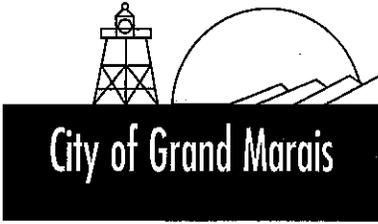
- 1) Attended the North Shore Management Board meeting where they discussed the updated management plan. They will come to Cook County to do a joint county/city presentation of the changes. They are also working on the Hovland Dock Restoration, there will be interactive maps for wayside rests and they are working on a link from the Glensheen Mansion trail system to the Superior Hiking Trail.
- 2) The State of MN will be holding a multi-day conference in Two Harbors on October 5-6 for the Lake Superior Coastal Program.

Mayor Arrowsmith-DeCoux's Report:

- 1) CCLEP is planning an Energy Efficiency Expo on October 1st.
- 2) The Art Colony is applying for a federal grant for Place Making and promoting Art.
- 3) Attended an Arts Economy Meeting: We should put together an Arts Commission.

- 4) Received comments about workforce housing – conditions are bad.
- 5) We should offer to relocate the bike station to the Cook County Visitor's Center or a park location.

There being no further business, the meeting adjourned at 8:47 p.m.



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Payments

Current Period: September 2016

Batch Name	9292016AP	User Dollar Amt	\$128,382.86		
	Payments	Computer Dollar Amt	\$128,382.86		
				\$0.00	In Balance
Refer	68448 ROHLFING INC.				
Cash Payment	E 613-45125-252 Beer For Resale				\$110.40
Invoice	432040 9/14/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$110.40
Refer	68449 BERNICKS				
Cash Payment	E 613-45125-255 Food For Resale				\$115.92
Invoice	11122 9/8/2016				
Cash Payment	E 609-49750-252 Beer For Resale				-\$31.44
Invoice	529481 9/22/2016				
Cash Payment	E 609-49750-252 Beer For Resale				\$5,590.42
Invoice	529480 9/22/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$5,674.90
Refer	68450 DISH NETWORK				
Cash Payment	E 613-45125-310 Service Agreements				\$66.64
Invoice	82557070825987 8/25/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$66.64
Refer	68451 BUCK S HARDWARE HANK				
Cash Payment	E 613-45125-211 Operating Supplies				\$5.29
Invoice	9988 8/31/2016				
Cash Payment	E 101-41940-220 Repair/Maint Supply (GE				\$18.46
Invoice	3125 8/31/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$23.75
Refer	68452 STEVE S SPORTS AND AUTO				
Cash Payment	E 613-45125-211 Operating Supplies				\$25.30
Invoice	259016 8/5/2016				
Cash Payment	E 613-45125-211 Operating Supplies				\$21.62
Invoice	258866 8/1/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$46.92
Refer	68453 DEX MEDIA EAST LLC				
Cash Payment	E 613-45125-321 Telephone				\$26.06
Invoice	110220315 9/1/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$26.06
Refer	68454 ARROWHEAD COOPERATIVE				
Cash Payment	E 613-45125-380 Utility Services (GENER				\$219.00
Invoice	901298 8/31/2016				
Cash Payment	E 613-45125-380 Utility Services (GENER				\$392.00
Invoice	908127 8/31/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$611.00
Refer	68455 COOK COUNTY VISITORS BUREA				
Cash Payment	G 101-20802 Cook County Lodging Tax				\$48,123.15
Invoice	JULY 2016 9/13/2016				
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$48,123.15



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Refer	68456	TWIN PORTS PAPER & SUPPLY IN			
Cash Payment	E 609-49750-210	Operating Supplies (GE			\$124.19
Invoice	306008	9/13/2016			
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$124.19
Refer	68457	INDEPENDENT PAPER GROUP			
Cash Payment	E 101-43100-220	Repair/Maint Supply (GE			\$498.00
Invoice	133774	9/8/2016			
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$498.00
Refer	68458	GOVERNMENT FINANCE OFFICER			
Cash Payment	E 101-41400-436	Membership Dues			\$160.00
Invoice	0188787	9/6/2016			
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$160.00
Refer	68460	TOSHIBA BUSINESS SOLUTIONS			
Cash Payment	E 101-41400-200	Office Supplies (GENER			\$61.27
Invoice	13076697	9/14/2016			
Transaction Date	9/19/2016	MAIN CHECKING G	10100	Total	\$61.27
Refer	68461	ARROWHEAD EMS ASSOCIATION			
Cash Payment	E 101-42200-433	Dues and Subscriptions			\$45.00
Invoice	10352	7/16/2016			
Transaction Date	9/20/2016	MAIN CHECKING G	10100	Total	\$45.00
Refer	68462	GENE S FOODS			
Cash Payment	E 101-41900-461	Community Vision- Com			\$39.20
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-255	Food For Resale			\$37.52
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-260	Soft Drinks/Mix For Resa			\$12.00
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-211	Operating Supplies			\$34.56
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-255	Food For Resale			\$26.51
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-211	Operating Supplies			\$17.24
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-260	Soft Drinks/Mix For Resa			\$29.94
Invoice	3871848	8/31/2016			
Cash Payment	E 613-45125-255	Food For Resale			\$1.89
Invoice	3871848	8/31/2016			
Transaction Date	9/20/2016	MAIN CHECKING G	10100	Total	\$198.86
Refer	68469	ARROWHEAD COOPERATIVE	Clk# 003546E	9/21/2016	
Cash Payment	E 613-45125-321	Telephone			\$118.53
Invoice	1234	9/1/2016			
Cash Payment	E 101-45100-321	Telephone			\$628.23
Invoice	2131	9/1/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$746.76
Refer	68470	MISSION MANAGEMENT INFO SYS			
Cash Payment	E 101-45100-210	Operating Supplies (GE			\$660.00
Invoice	58065	9/18/2016			



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Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$660.00
Refer	68471 NINAWORKS!				
Cash Payment	E 101-45184-340 Advertising				\$250.00
Invoice	NSVIS.BOOK 9/21/2016				
Cash Payment	E 101-45100-340 Advertising				\$849.00
Invoice	NSVIS.BOOK 9/21/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$1,099.00
Refer	68472 COOK COUNTY VISITORS BUREA				
Cash Payment	E 101-45100-340 Advertising				\$600.00
Invoice	3731 9/1/2016				
Cash Payment	E 101-45184-340 Advertising				\$100.00
Invoice	3731 9/1/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$700.00
Refer	68473 QUILL CORPORATION				
Cash Payment	E 101-45100-200 Office Supplies (GENER				\$197.71
Invoice	9041019 9/12/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$197.71
Refer	68474 GRAINGER				
Cash Payment	E 101-45100-258 Cable TV Expense				\$13.50
Invoice	9219626802 9/8/2016				
Cash Payment	E 101-45184-220 Repair/Maint Supply (GE				\$63.24
Invoice	9220026315 9/9/2016				
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE				\$118.00
Invoice	9220669338 9/9/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$194.74
Refer	68475 TWIN PORTS PAPER & SUPPLY IN				
Cash Payment	E 101-45100-210 Operating Supplies (GE				\$412.27
Invoice	306045 9/13/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$412.27
Refer	68476 XEROX CORPORATION				
Cash Payment	E 101-45100-200 Office Supplies (GENER				\$62.05
Invoice	085973364 9/1/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$62.05
Refer	68477 DEX MEDIA EAST LLC				
Cash Payment	E 101-45100-340 Advertising				\$78.37
Invoice	110220314 9/1/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$78.37
Refer	68480 STEVE SANDE CONSTRUCTION				
Cash Payment	E 215-45500-520 Capital Outlay (Buildings				\$1,740.00
Invoice	1250 9/12/2016				
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$1,740.00
Refer	68481 CDW GOVERNMENT, INC.				
Cash Payment	E 215-45500-449 Automation				\$205.44
Invoice	FHH4481 9/9/2016				
Cash Payment	E 215-45500-449 Automation				\$205.44
Invoice	FHV1398 9/9/2016				



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Cash Payment	E 215-45500-449 Automation				\$1,305.45
Invoice	FHG2829	9/9/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$1,716.33
Refer	68482	BAKER & TAYLOR			
Cash Payment	E 211-45500-435 Books, Periodicals				\$525.91
Invoice	2032291732	9/12/2016			
Cash Payment	E 211-45500-435 Books, Periodicals				\$162.28
Invoice	2032277114	9/6/2016			
Cash Payment	E 211-45500-435 Books, Periodicals				\$837.45
Invoice	2032266144	8/31/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$1,525.64
Refer	68483	MANGY MOOSE MOTEL			
Cash Payment	E 211-45500-310 Service Agreements				\$198.00
Invoice	SHERWIN LODG	9/21/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$198.00
Refer	68484	AMERIPRIDE LINEN AND APPARE			
Cash Payment	E 211-45500-310 Service Agreements				\$49.43
Invoice	3500961852	9/12/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$49.43
Refer	68485	DEMCO,INC			
Cash Payment	E 211-45500-200 Office Supplies (GENER				\$223.81
Invoice	5927209	8/3/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$223.81
Refer	68486	SUPERIOR BEVERAGES LLP			
Cash Payment	E 609-49750-252 Beer For Resale				\$2,421.65
Invoice	766996	9/21/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$2,421.65
Refer	68487	ARCTIC GLACIER INC.			
Cash Payment	E 609-49750-259 Other For Resale				\$180.00
Invoice	2047626301	9/19/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$180.00
Refer	68488	VOYAGEUR BREWING COMPANY			
Cash Payment	E 609-49750-252 Beer For Resale				\$990.00
Invoice	16-3-03	9/20/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$990.00
Refer	68489	ROHLFING INC.			
Cash Payment	E 609-49750-251 Liquor For Resale				\$46.70
Invoice	428953	7/13/2016			
Cash Payment	E 609-49750-252 Beer For Resale				\$4,300.23
Invoice	432332	9/21/2016			
Transaction Date	9/21/2016	MAIN CHECKING G	10100	Total	\$4,346.93
Refer	68490	SOUTHERN GLAZER S OF MN			
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,689.40
Invoice	1455293	9/21/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$47.16
Invoice	1455293	9/21/2016			



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Transaction Date	9/22/2016	MAIN CHECKING G 10100	Total	\$320.40
Refer	68494	JOHNSON BROTHER LIQUOR		
Cash Payment	E 609-49750-251	Liquor For Resale		\$4,816.71
Invoice	5544518	9/21/2018		
Cash Payment	E 609-49750-333	Freight and Express		\$149.65
Invoice	5544518	9/21/2018		
Cash Payment	E 609-49750-251	Liquor For Resale		\$3,356.29
Invoice	5544519	9/21/2018		
Cash Payment	E 609-49750-333	Freight and Express		\$138.66
Invoice	5544519	9/21/2018		

Transaction Date	9/22/2016	MAIN CHECKING G 10100	Total	\$8,461.31
Refer	68495	WINE MERCHANTS		
Cash Payment	E 609-49750-251	Liquor For Resale		\$886.50
Invoice	7099746	9/21/2016		
Cash Payment	E 609-49750-333	Freight and Express		\$22.79
Invoice	7099746	9/21/2016		

Transaction Date	9/22/2016	MAIN CHECKING G 10100	Total	\$909.29
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Fund Summary

	10100 MAIN CHECKING GMSB
101 GENERAL FUND	\$77,802.45
211 LIBRARY	\$7,843.88
215 LIBRARY RESTRICTED FUND	\$3,456.33
609 MUNICIPAL LIQUOR FUND	\$35,632.78
613 GOLF COURSE	\$3,647.42
	<u>\$128,382.86</u>

Pre-Written Checks	\$746.76
Checks to be Generated by the Computer	\$127,636.10
Total	\$128,382.86



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Batch Name 091616 CPAP
 Payment Computer Dollar Amt \$70,249.49 Posted

Refer	68395 PERA		Ck# 003523E 9/16/2016		
Cash Payment	G 101-21704 PERA				\$4,744.63
Invoice	19 CPYR 16	9/16/2016			
Transaction Date	9/12/2016	Due 0	MAIN CHECKING G 10100	Total	\$4,744.63
Refer	68396 MN CHILD SUPPORT PAYMENTCE		Ck# 003524E 9/16/2016		
Cash Payment	G 101-21718 Garnishment				\$114.07
Invoice	0912160417	9/16/2016			
Transaction Date	9/12/2016	Due 0	MAIN CHECKING G 10100	Total	\$114.07
Refer	68397 EMPOWER		Ck# 003525E 9/16/2016		
Cash Payment	G 101-21720 MN State Retirement DeferC				\$445.00
Invoice	363457587	9/16/2016			
Transaction Date	9/12/2016	Due 0	MAIN CHECKING G 10100	Total	\$445.00
Refer	68398 MN DEPT OF REVENUE-EFTPS		Ck# 003526E 9/16/2016		
Cash Payment	G 101-21702 State Withholding				\$1,738.57
Invoice	19 CPYR 16	9/16/2016			
Transaction Date	9/12/2016	Due 0	MAIN CHECKING G 10100	Total	\$1,738.57
Refer	68399 DEPT OT THE TREASURY IRS		Ck# 003527E 9/16/2016		
Cash Payment	G 101-21703 FICA Tax Withholding				\$5,031.80
Invoice	19 CPYR 16	9/16/2016			
Cash Payment	G 101-21717 Medicare				\$1,182.14
Invoice	19 CPYR 16	9/16/2016			
Cash Payment	G 101-21701 Federal Withholding				\$3,586.77
Invoice	19 CPYR 16	9/16/2016			
Transaction Date	9/12/2016	Due 0	MAIN CHECKING G 10100	Total	\$9,800.71
Refer	68400 VISA		Ck# 075017 9/16/2016		
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE Menards				\$101.85
Invoice	3814	9/2/2016			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE Werner				\$9.50
Invoice	3814	9/2/2016			
Cash Payment	E 601-49420-240 Small Tools and Minor E Werner				\$10.00
Invoice	3814	9/2/2016			
Cash Payment	E 602-49480-240 Small Tools and Minor E Werner				\$10.00
Invoice	3814	9/2/2016			
Cash Payment	E 604-49570-240 Small Tools and Minor E Werner				\$9.50
Invoice	3814	9/2/2016			
Cash Payment	E 211-45500-200 Office Supplies (GENER				\$239.55
Invoice	3814	9/2/2016			
Cash Payment	E 211-45500-435 Books, Periodicals				\$149.48
Invoice	3814	9/2/2016			
Cash Payment	E 211-45500-437 Audio Visual / DVD				\$80.73
Invoice	3814	9/2/2016			
Transaction Date	9/12/2016	Due 0	MAIN CHECKING G 10100	Total	\$610.61
Refer	68401 MII LIFE- HRA		Ck# 003528E 9/15/2016		



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Cash Payment	E 101-41400-131 Employer Paid Health				\$9.30
Invoice	38268623	9/13/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$9.30
Refer	68402 <i>MII LIFE-FLEX</i>		<u>Ck# 003529E 9/15/2016</u>		
Cash Payment	G 101-21713 Flex Plan Spending				\$15.29
Invoice	38268623	9/13/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$15.29
Refer	68403 <i>PHILLIPS WINE & SPIRITS</i>		<u>Ck# 075013 9/16/2016</u>		
Cash Payment	E 609-49750-251 Liquor For Resale				\$3,414.18
Invoice	2038128	9/8/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$75.29
Invoice	2038128	9/8/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$156.00
Invoice	2038129	9/8/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$2.51
Invoice	2038129	9/8/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$3,192.00
Invoice	2041571	9/14/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$82.83
Invoice	2041571	9/14/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$6,922.81
Refer	68404 <i>JOHNSON BROTHER LIQUOR</i>		<u>Ck# 075010 9/16/2016</u>		
Cash Payment	E 609-49750-251 Liquor For Resale				\$6,310.25
Invoice	5534134	9/8/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$181.96
Invoice	5534134	9/8/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,270.05
Invoice	5534133	9/8/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$47.69
Invoice	5534133	9/8/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$52.60
Invoice	574186	5/13/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$2.51
Invoice	574186	5/13/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$28.00
Invoice	589343	8/26/2016			
Cash Payment	E 609-49750-333 Freight and Express				-\$2.51
Invoice	586343	8/26/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$88.00
Invoice	589344	8/26/2016			
Cash Payment	E 609-49750-333 Freight and Express				-\$2.51
Invoice	589344	8/26/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$100.25
Invoice	577042	6/7/2016			
Cash Payment	E 609-49750-333 Freight and Express				-\$2.51
Invoice	577042	6/7/2016			
Cash Payment	E 609-49750-252 Beer For Resale				\$3,705.64
Invoice	5539142	9/14/2016			



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Payments

City of Grand Marais

Current Period: September 2016

Cash Payment	E 609-49750-333 Freight and Express				\$101.23
Invoice	5539142	9/14/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,064.65
Invoice	5539141	9/14/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$57.73
Invoice	5539141	9/14/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$12,570.53
Refer	68405 WINE MERCHANTS		Ck# 075019 9/16/2016		
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,106.00
Invoice	7097771	9/8/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$25.30
Invoice	7097771	9/8/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$917.81
Invoice	7098743	9/14/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$19.65
Invoice	7098743	9/14/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$2,068.76
Refer	68406 ARTISAN BEER COMPANY		Ck# 075003 9/16/2016		
Cash Payment	E 609-49750-252 Beer For Resale				\$88.99
Invoice	3124759	9/8/2016			
Cash Payment	E 609-49750-252 Beer For Resale				\$324.45
Invoice	3124760	9/8/2016			
Cash Payment	E 609-49750-252 Beer For Resale				-\$71.25
Invoice	357627	8/29/2016			
Cash Payment	E 609-49750-252 Beer For Resale				-\$101.50
Invoice	349130	6/8/2016			
Cash Payment	E 609-49750-252 Beer For Resale				\$244.40
Invoice	3126015	9/14/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$485.09
Refer	68414 MII LIFE - VEBA		Ck# 075011 9/16/2016		
Cash Payment	G 101-21706 Health Insurance				\$533.36
Invoice	SEPT 2016	9/16/2016			
Transaction Date	9/13/2016	Due 0	MAIN CHECKING G 10100	Total	\$533.36
Refer	68435 CENTURYLINK		Ck# 075008 9/16/2016		
Cash Payment	E 101-42200-321 Telephone				\$33.47
Invoice	2183879092	9/1/2016			
Cash Payment	E 101-43100-321 Telephone				\$81.52
Invoice	2183879092	9/1/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G 10100	Total	\$114.99
Refer	68436 BERNICKS		Ck# 075004 9/16/2016		
Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$87.00
Invoice	528447	9/15/2016			
Cash Payment	E 609-49750-252 Beer For Resale				\$5,055.60
Invoice	528448	9/15/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G 10100	Total	\$5,142.60
Refer	68437 BOURGET IMPORTS, LLC		Ck# 075005 9/16/2016		



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Payments

Current Period: September 2016

Cash Payment	E 609-49750-251 Liquor For Resale				\$1,992.00
Invoice	136216	9/8/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$42.00
Invoice	136216	9/8/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$2,034.00
Refer	68438	COCA-COLA REFRESHMENTS	Ck# 075009	9/16/2016	
Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$162.30
Invoice	1780739	9/14/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$162.30
Refer	68439	VOYAGEUR BREWING COMPANY	Ck# 075018	9/16/2016	
Cash Payment	E 609-49750-252 Beer For Resale				\$390.00
Invoice	16-37-03	9/13/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$390.00
Refer	68440	ROHLFING INC.	Ck# 075014	9/16/2016	
Cash Payment	E 609-49750-252 Beer For Resale				\$5,133.85
Invoice	432000	9/14/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$5,133.85
Refer	68441	SOUTHERN GLAZER S OF MN	Ck# 075015	9/16/2016	
Cash Payment	E 609-49750-333 Freight and Express				\$2.05
Invoice	1452723	9/14/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$1.02
Invoice	1452722	9/14/2016			
Cash Payment	E 609-49750-251 Liquor For Resale				\$3,989.27
Invoice	1452724	9/14/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$84.05
Invoice	1452724	9/14/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$4,076.39
Refer	68442	SUPERIOR BEVERAGES LLP	Ck# 075016	9/16/2016	
Cash Payment	E 609-49750-252 Beer For Resale				\$6,114.30
Invoice	766525	9/14/2016			
Cash Payment	E 609-49750-252 Beer For Resale				\$84.00
Invoice	766526	9/14/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$6,198.30
Refer	68443	CANNON RIVER WINERY	Ck# 075007	9/16/2016	
Cash Payment	E 609-49750-252 Beer For Resale				\$690.00
Invoice	9086	7/27/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$690.00
Refer	68444	BREAKTHRU BEVERAGE	Ck# 075006	9/16/2016	
Cash Payment	E 609-49750-252 Beer For Resale				\$5,799.53
Invoice	1080525615	9/13/2016			
Cash Payment	E 609-49750-333 Freight and Express				\$88.80
Invoice	1080525615	9/13/2016			
Transaction Date	9/16/2016	Due 0	MAIN CHECKING G	10100	Total \$5,888.33
Refer	68445	NORTH SHORE WINERY	Ck# 075012	9/16/2016	
Cash Payment	E 609-49750-252 Beer For Resale		Did not receive invoice until September		\$360.00
Invoice	0803201601	8/3/2016			



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Payments

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Current Period: September 2016

Transaction Date 9/16/2016 Due 0 MAIN CHECKING G 10100 Total \$360.00

Fund Summary

	10100 MAIN CHECKING GMSB
609 MUNICIPAL LIQUOR FUND	\$52,122.96
604 ELECTRIC	\$9.50
602 SEWER	\$10.00
601 WATER	\$10.00
211 LIBRARY	\$469.76
101 GENERAL FUND	\$17,627.27
	<u>\$70,249.49</u>

Pre-Written Checks	\$70,249.49
Checks to be Generated by the Computer	\$0.00
Total	<u>\$70,249.49</u>

APPLICATION FOR USE OF STREET AND SIDEWALKS

CHECK ONE:

Benches _____

Flowers _____

Community Event

Miscellaneous _____

Describe:

Moose Madness "Moose Mosley"

Name and address of applicant or organization, charitable, veterans, community or non-profit group:

Visit Cook County

110 W. Hwy 61

Grand Marais, MN 55604

Contact Person:

Katie Krantz

Phone Number:

218-387-2788

Description of request or event:

Fun walk/run with Murray the Moose and Kiddos at Bear Tree Park.

Date of Event:

10/22/2016

Length of Event:

10 minutes

Time of Event:

2pm

Location of Event:

Begins at Bear Tree, down sidewalk toward the Trading Post, turn right down sidewalk, right onto beach and head back to Finish Line on beach

Assistance requested of the City or PUC:

If you have a few orange cones (4-5) that we could borrow, that'd be very helpful.

Katie Krantz

Signature

9/19/16

Date

Thank you!

Approve: _____

Not Approved: _____

Fee: Paid _____

Waived _____

Insurance (\$500,000): Proof naming City as additional insured _____

Waived in whole _____ Waived in part _____

Additional anticipated costs or expenses to City or PUC _____

Additional Council restrictions _____

RESOLUTION 2016-12

**CONCURRING IN THE ACTIONS OF
THE GRAND MARAIS PUBLIC UTILITIES COMMISSION
AND APPROVING THE EXECUTION OF
AMENDMENT NO. 1 TO AGENCY AGREEMENT**

WHEREAS, the City of Grand Marais, Minnesota (the "City"), together with certain other Minnesota cities (collectively, the "Members"), are parties to the Agency Agreement dated April 1, 1977 creating the Southern Minnesota Municipal Power Agency (the "Agency") pursuant to Minnesota Statutes, Section 453.51 through 453.62, inclusive (the "Act"), which agreement is on file with the Secretary of State of Minnesota in Book S-46 of Incorporations on page 300 (the "Agency Agreement");

WHEREAS, the City is a Member of the Agency;

WHEREAS, certain Members, including the City, have power sales contracts with the Agency with a term that remains in effect until April 1, 2050 (the "Continuing Members"), and other Members have power sales contracts with the Agency with a term ending on March 31, 2030 (the "Terminating Requirements Members");

WHEREAS, the Members wish to amend the Agency Agreement to set forth certain amendments to the Agency Agreement to enable Terminating Requirements Members to participate in contractual arrangements with the Agency following the expiration of their power sales contracts, and to provide an opportunity for other Minnesota cities to participate as members of the Agency solely with respect to specific generation, transmission or other projects on a contractual basis rather than on a requirements basis, among other matters;

WHEREAS, there has been prepared and presented to this meeting for approval and concurrence a proposed form of Amendment No. 1 to the Agency Agreement (the "Amendment") in the form of Exhibit A hereto;

WHEREAS, the Agency Agreement provides for the amendment thereof upon (a) the approval of two-thirds of all of the Representatives (as defined in the Agency Agreement), each casting one vote, (b) approval by two-thirds of the total number of votes capable of being cast by all of the Representatives, in accordance with the weighted formula described in the Agency Agreement and (c) approval and concurrence by Commission Resolutions and City Council Resolutions of two-thirds of all of the Members;

WHEREAS, the Grand Marais Public Utilities Board (the "Utility Board") has approved for execution the Amendment and the resolutions of the Utility Board are attached as Exhibit B hereto;

WHEREAS, this City Council has carefully considered the amendments to the Agency Agreement reflected in the Amendment, including the changes to the voting and quorum requirements, and the establishment of a project committee and has reviewed the resolutions of the Utility Board; and

NOW, THEREFORE, BE IT HEREBY RESOLVED, that,

1. This City Council hereby determines that it is in the best interests of the City to enter into the Amendment; and
2. This City Council hereby approves the Amendment, in substantially the form provided to this City Council, concurs in the actions taken by the Utilities Board in approving the Amendment and authorizes the City to enter into the Amendment; and
3. This City Council hereby authorizes the [*insert title of Chairman, President or similar officer*] (“Authorized Officer”) and the Representative to execute and deliver the Amendment, subject to such changes as the Authorized Officer and the Representative may approve as necessary or desirable, such approval to be conclusively evidenced by the execution and delivery of the Amendment.
4. In accordance with the requirements of the Act, the Authorized Officer is hereby authorized and directed to affix to the Amendment a certified copy of this Resolution for submission to the Secretary of State of Minnesota in accordance with the Act.

Adopted by the City Council of the City of Grand Marais this 27th day of September 2016.

(SEAL)

Mayor Jay Arrowsmith Decoux

ATTEST:

Michael J. Roth

City Administrator

EXHIBIT A

[FORM OF AMENDMENT NO. 1 TO AGENCY AGREEMENT
TO BE ATTACHED]

**AMENDMENT No. 1
to AGENCY AGREEMENT**

Amendment No. 1 dated _____, 2016 (“Amendment No. 1”) to the Agency Agreement dated April 1, 1977 creating the Southern Minnesota Municipal Power Agency (the “Agency”) which agreement is on file with the Secretary of State of Minnesota in Book S-46 of Incorporations on page 300 (the “Original Agency Agreement;” such Original Agency Agreement as amended by this Amendment No. 1 is hereinafter referred to as the “Agency Agreement”) between and among CITY OF AUSTIN, a city organized and existing under the laws of the State of Minnesota, CITY OF BLOOMING PRAIRIE, a city organized and existing under the laws of the State of Minnesota, CITY OF FAIRMONT, a city organized and existing under the laws of the State of Minnesota, CITY OF GRAND MARAIS, a city organized and existing under the laws of the State of Minnesota, CITY OF LAKE CITY, a city organized and existing under the laws of the State of Minnesota, CITY OF LITCHFIELD, a city organized and existing under the laws of the State of Minnesota, CITY OF MORA, a city organized and existing under the laws of the State of Minnesota, CITY OF NEW PRAGUE, a city organized and existing under the laws of the State of Minnesota, CITY OF NORTH BRANCH, a city organized and existing under the laws of the State of Minnesota, CITY OF OWATONNA, a city organized and existing under the laws of the State of Minnesota, CITY OF PRESTON, a city organized and existing under the laws of the State of Minnesota, CITY OF PRINCETON, a city organized and existing under the laws of the State of Minnesota, CITY OF REDWOOD FALLS, a city organized and existing under the laws of the State of Minnesota, CITY OF ROCHESTER, a city organized and existing under the laws of the State of Minnesota, CITY OF SAINT PETER, a city organized and existing under the laws of the State of Minnesota, CITY OF SPRING VALLEY, a city organized and existing under the laws of the State of Minnesota, CITY OF WASECA, a city organized and existing under the laws of the State of Minnesota, and CITY OF WELLS, a city organized under the laws of the State of Minnesota (herein referred to collectively as the “Cities”) and any and all Minnesota cities becoming parties to the Agency Agreement in accordance with its terms after the date hereof (said cities together with the Cities being herein collectively referred to as the “Members”). Capitalized terms not otherwise defined in this Amendment No. 1 shall be as defined in the Original Agency Agreement.

WITNESSETH:

WHEREAS, the Original Agency Agreement created the Agency pursuant to Minnesota Statutes, Section 453.51 through 453.62, inclusive (herein referred to as the “Act,” which term includes any amendment thereof); and

WHEREAS, each City is a Member of the Agency and is authorized either by the laws of the State of Minnesota or by its city charter adopted pursuant thereto to engage in the local distribution and sale of electric energy; and

WHEREAS, the Original Agency Agreement provides for the amendment thereof with the effectiveness of any amendment subject to certain conditions set forth in Section 9(L) of the Original Agency Agreement; and

WHEREAS, this Amendment No. 1 has been (a) approved by two-thirds of all of the Representatives, each casting one vote, (b) approved by the two-thirds of the total number of votes capable of being cast by all of the Representatives, in accordance with the weighted voting formula

described in Section 9(C) of the Original Agency Agreement, (c) approved and concurred in by Commission Resolutions and City Council Resolutions of two-thirds of all of the Members and (d) upon the filing with the Secretary of State as required by the Act of a certified copy of each such Resolution and this Amendment No. 1, this Amendment No. 1 shall be effective.

NOW, THEREFORE, each of the Cities and each of the Minnesota cities becoming a Member of the Agency after the date hereof, does hereby covenant and agree, each in consideration of the foregoing and in consideration of the covenants and agreements of the other; as follows:

Section 1. Purpose of Amendment No. 1. All of the Members of the Agency on the date hereof (except for the Cities of Austin and Rochester) have power sales contracts with the Agency with a term that remains in effect until April 1, 2050 (the "Continuing Members"). The Cities of Austin and Rochester (the "Terminating Requirements Members") have power sales contracts with an initial term ending on March 31, 2030 (the "Initial PSC Termination Date"). The Continuing Members, together with, prior to the Initial PSC Termination Date, the Terminating Requirements Members, are referred to herein as the "Requirements Members." The Terminating Requirements Members may wish to remain Members of the Agency after the Initial PSC Termination Date and participate in contractual arrangements with the Agency other than on the basis of the contractual arrangements between the Agency and the Requirements Members. The Agency also wishes to plan for its future needs and may determine that it is beneficial for the Agency and its Members for the Agency to participate in such contractual arrangements with the Terminating Requirements Members which relate to interests in a specified project rather than on a requirements basis. In addition, it may be beneficial to the Agency and its Members and Minnesota cities becoming Members after the date hereof to offer contractual arrangements with such future Members which relate to interests in a specified project rather than on a requirements basis (the "Future Project Members" or the "Project Members;" and, on and after the Initial PSC Termination Date, together with the Terminating Requirements Members participating in Projects, the "Project Members"). Prior to entering into any such contractual arrangements, the Board of Directors of the Agency shall designate such property or interest therein or capacity thereof as a "Project" (the "Project") for purposes of this Amendment No. 1. This Amendment No. 1 shall be effective upon its filing with the Secretary of State as required by the Act together with a certified copy of the resolutions referred to in the last "WHEREAS" clause hereof. However, certain provisions of this Amendment No. 1 may not take effect until the occurrence of certain events as specified in this Amendment No. 1. In addition, certain provisions herein may not take effect until the Initial PSC Termination Date.

Section 2. Matters Requiring Members' Approval. A. On and after any Member becomes a Project Member, Requirements Members shall be entitled to vote as a Representative on the matters requiring approval by the Representatives pursuant to Section 9(B) of the Original Agency Agreement except as otherwise set forth in this Section 2.

B. On and after any Member becomes a Project Member, Project Members shall be entitled to vote as a Representative on matters requiring approval by the Representatives pursuant to clauses (5), (6), (7) and (8) of Section 9(B) of the Original Agency Agreement. On and after any Member becomes a Project Member, as to matters requiring approval of the Representatives pursuant to clauses (2), (3) and (4) of Section 9(B) of the Original Agency Agreement, Project Members shall be entitled to vote as a Representative on such matters requiring approval by the Representatives if such vote is in connection with a Project in which a Project Member has a pecuniary interest and matters relating to a Project shall be approved by the majority of the votes

cast by the Representatives with each Representative entitled to one vote. On and after any Member becomes a Project Member, decisions relating to the issuance of bonds or notes of the Agency relating to a Project shall be determined on the Project Committee level subject to ratification by the Board of Directors.

C. On and after any Member becomes a Project Member, no Project Member shall be counted as a Representative for purposes of a quorum with respect to any of the matters enumerated in this Section 2 other than with respect to those matters for which Project Members shall be entitled to vote as a Representative pursuant to clause B of this Section 2 and no Project Member shall be liable for any indebtedness incurred, assessments made and/or any other pecuniary liability in connection with any such matters other than with respect to pecuniary matters relating to the Project or Projects in which it participates.

D. On and after any Member becomes a Project Member, no Project Member shall be allocated a weighted vote pursuant to Section 9(C) of the Agency Agreement.

E. On and after the Initial PSC Termination Date, Members shall consist of either Project Members or Requirements Members.

Section 3. Committee Governing Actions Relating to Projects. A. On and after the effective date of this Amendment No. 1, the Agency's participation in a Project shall be administered by a Project Committee which shall be established by the Board of Directors or pursuant to contractual arrangements relating to a particular Project. Such matters shall include, but not be limited to the following and are subject to the provisions of Section 9(B) of the Agency Agreement:

- (1) the issuance of bonds or notes of the Agency secured by the revenues and funds from such Project;
- (2) the execution by the Agency of any contract relating to such Project (other than contractual arrangements between the Agency and such Project Members relating to the applicable Project); and
- (3) representation on any committees relating to joint ownership of the Project.

The Project Committee's actions shall be of no effect until ratified by the Board of Directors.

B. Unless otherwise specifically stated in the Bylaws or in the contractual arrangements relating to a particular Project, a Project Committee shall consist of representatives of each of the Project Members participating in such Project and one representative for the Requirements Members. For purposes of clarity, for all purposes under this Section 3, prior to the Initial PSC Termination Date, the Terminating Requirements Members shall be included within the category of Requirements Members and, after the Initial PSC Termination Date, each Terminating Requirements Member participating in a Project shall for all purposes be an individual Project Member. The representative of the Requirements Members shall be selected by a majority vote of the Member Representatives of such Requirements Members with each Member Representative entitled to one vote. Each Project Committee shall meet as necessary to discuss matters relating to the applicable Project. Unless otherwise specifically stated in the Bylaws or in

the contractual arrangements relating to a particular Project, a quorum exists at any meeting of a Project Committee when a majority of the members of the Project Committee are present and one of such members is the representative of the Requirements Members. Unless otherwise specifically stated in the Bylaws or in the contractual arrangements relating to a particular project, if a quorum exists, a majority vote of the members of the Project Committee present and comprising the quorum, each exercising the number of votes allotted to such member in accordance with clause C below, shall be necessary to take any action.

C. Unless otherwise specifically stated in the Bylaws or in the contractual arrangements relating to a particular Project, the number of votes that can be exercised by the members of the Project Committee shall be calculated as set forth in this clause C. The members of each Project Committee shall have an aggregate total amount of 100 votes. The allocation of such votes shall be based on percentage shares of the participants in the Project (as represented by the project percentages contained in the contractual arrangements between the Agency and the participants in such Project). For purposes of the foregoing, the Agency's percentage share in a Project shall be the percentage share of the Requirements Members. After the Initial PSC Termination Date, the Terminating Requirements Members shall each have its allocation of votes based on its percentage share of the Project and the Terminating Requirements Members shall each be a Project Member. Voting with respect to representatives of Project Members on the Project Committee shall be based on the total percentage shares of all Project Members in the Project. The number of votes on the Project Committee for each Project Member who is a member of the Project Committee shall be a number representing such Project Member's percentage share in the applicable Project calculated with respect to the aggregate total amount of 100 votes (by way of example, a 36.2% share in the applicable Project shall equal 36.2 votes out of the aggregate total of 100 votes). The total number of votes of the Requirements Members shall be a number equal to the total percentage share of the Agency in such Project calculated in the same manner as votes for each Project Member and shall be exercised by the representative of the Requirements Members on the Project Committee. Prior to any vote of representatives on the Project Committee on matters in connection with item (1) of clause A of this Section 3, the Requirements Members shall direct their representative on the Project Committee to cast the total number of votes of the Requirements Members on such matter or matters based on the results of a weighted vote on the question cast by the Member Representatives of such Requirements Members in accordance with Section 9(C) of the Original Agency Agreement. Any matters subject to such weighted vote shall be approved by a majority of weighted votes cast by the Member Representatives of the Requirements Members present. A quorum for purposes of such actions shall be that number of Member Representatives of Requirements Members which may, by weighted voting, cast a majority of the aggregate amount of votes capable of being cast by all Member Representatives of the Requirements Members.

D. Unless otherwise specified in the Bylaws or in the contractual arrangements relating to a particular Project, each Project Committee shall elect a chairperson who shall serve as the liaison between the Project Committee and the Agency staff. Unless otherwise specified herein, in the Bylaws or in the contractual arrangements relating to a particular Project, all procedural matters relating to meetings, notices of meetings, voting by proxy or determinations as to removal or replacement of a member of the Project Committee shall be determined by the applicable Project Committee.

Section 4. Amendments to Original Agency Agreement.

A. Clauses 2 and 3 of Section 9(A) of the Original Agency Agreement are hereby amended to read as follows on and after the Initial PSC Termination Date:

(2) No such city shall become a Member of the Agency until (a) its admission is approved at an annual or special meeting of the Representatives by the affirmative vote of two-thirds of all Representatives of the then existing Members, each casting one vote, and (b) such city deposits with the Board of Directors or agrees to deposit with the Board of Directors an amount equal to a share of the costs and expenses incurred by the Agency prior to the date of admission of such city as a member of the Agency, as determined by the vote of a majority of the Representatives of the then existing Members, each casting one vote; provided, however, with respect to a Future Project Member such costs and expenses shall include only costs and expenses relating to the Project in which such Future Project Member will participate.

(3) The Board of Directors shall by resolution determine whether admission is approved by the required majority of the Representatives and, if it so determines, shall file certified copies of its resolution and the Commission Resolution and the City Council Resolution with the Secretary of State.

B. The second paragraph of clause 4 of Section 9(A) of the Original Agency Agreement is hereby amended to read as follows on and after any Member becomes a Project Member:

Any Member may withdraw from the Agency upon the following conditions: (a) the Member or its Representative shall have filed with the Board of Directors and the Secretary of State a certified copy of a Commission Resolution and, if the City is one in which the Commission is not the body charged by law with the general control of the City's governmental affairs, a certified copy of a City Council Resolution expressing its desire to so withdraw, (b) if the Agency, prior to the filing of such Commission Resolution and City Council Resolution, shall have incurred any obligation payable from assessments in accordance with Section 9(I) hereof which obligation matures after the date of such filing, the withdrawing Member shall have paid, or made arrangements satisfactory to the Board of Directors to pay, to the Agency its pro rata portion of such obligation, determined in accordance with Section 9(I) hereof, and (c) (i) if any obligations of the Agency (other than obligations with respect to a Project) shall be outstanding at the time, no Member shall be permitted to withdraw from the Agency, if such withdrawal would reduce the number of Requirements Members remaining in the Municipal Power Agency to less than five (5) and (ii) if any obligations of the Agency incurred with respect to a Project shall be

outstanding at the time, Project Members participating in such Project shall not be permitted to withdraw.

C. The last paragraph of clause 4 of Section 9(A) of the Original Agency Agreement is hereby amended to read as follows on and after the Initial PSC Termination Date:

Any Member which has (a) defaulted under a contract with the Agency, or (b) failed to pay its assessments in accordance with Section 9(I) hereof, may be expelled from the Agency at an annual or special meeting of the Representatives by the affirmative vote of a majority of the Representatives (including the Representative or Representatives of the defaulting Member), each casting one vote. The expulsion of a Member from the Municipal Power Agency shall not affect any obligations under any contract between the expelled Member and the Municipal Power Agency.

D. Section 9(C) of the Original Agency Agreement is hereby amended to read as follows on and after the Initial PSC Termination Date:

(C) Voting. Except as otherwise expressly provided in this Agency Agreement, each action at any meeting of the Representatives shall be taken by a majority of the votes cast on the question by the Representatives present, each exercising a number of votes allocated to the Member he or she represents as follows (referred to herein as a "weighted vote"):

(1) One vote for each full 5,000 megawatt hours of electric energy purchased by the Member from the Agency during the Agency's most recent Fiscal Year, under a full or partial requirements contract; plus

(2) One additional vote for each full megawatt of the peak amount of electric capacity purchased by the Member from the Agency during the Agency's most recent Fiscal Year, under a full or partial requirements contract; provided that

(3) If the votes allocated to any Member pursuant to clauses (1) and (2) would equal or exceed the total number of votes allocated to all other Members, its allocation of votes shall be reduced to one vote less than those allocated to all other Members.

The allocation of votes to each Member shall be made in accordance with the formula outlined above as soon as practicable after the beginning of each Fiscal Year. The allocation shall be made by the Secretary of the Agency based upon a certificate of the Commission of the Member, and such allocation shall be verified by the Board of Directors. Each such allocation shall remain effective until such time as a new allocation is made for the next Fiscal Year.

In the case of a new Requirements Member or Terminating Requirements Member with a new or modified requirements power sales contract, weighted votes will be determined under clauses (1) and (2) above for the first partial and full year of the new or modified power sales contract based on that Member's load characteristics from the prior year and the energy and capacity amounts expected to be provided by the Agency in that first partial and full year of the new or modified contract.

E. The first sentence of Section 9(E) of the Original Agency Agreement is hereby amended to read as follows on and after any new or existing Member becomes a Project Member:

Other than as set forth in Amendment No. 1 to the Original Agency Agreement, the powers of the Municipal Power Agency shall be exercised by the Board of Directors in which shall be vested all of the powers conferred on the Municipal Power Agency by the Act and this Agency Agreement other than those powers described in Section 9(B) hereof which shall require the approval of the Representatives.

F. Clause 3 of Section 9(E) of the Original Agency Agreement is hereby amended to add a sentence at the end of the first paragraph of such clause 3 to read as follows on or after any new or existing Member becomes a Project Member:

At no time shall the four Directors elected by the Representatives consist of more than two Project Members.

G. The second to last paragraph of clause 3 of Section 9(E) of the Original Agency Agreement is hereby amended to read as follows on and after the Initial PSC Termination Date:

Directors who have been elected may be removed for cause at a special meeting of the Representatives called for that purpose by the affirmative vote of two-thirds of the Representatives, each casting one vote.

H. Section 9(H)(3) of the Original Agency Agreement is hereby amended to read as follows on and after any new or existing Member becomes a Project Member:

If the Municipal Power Agency shall be dissolved after payment of all of its indebtedness, all of its assets shall be distributed to its Members; provided, however, a Project Member shall be entitled only to a distribution of its proportionate share of the assets of the Project or Projects in which it is participating at the time of the dissolution.

I. The second paragraph of Section 9(I) of the Original Agency Agreement is hereby amended to read as follows on and after any new or existing Member becomes a Project Member:

The Board of Directors shall submit the proposed annual operating budget, together with a proposed schedule as assessment payment dates, to the Representatives at the annual meeting or at a special meeting called for that purpose. Subject to the provisions of Amendment No. 1, the annual operating budget may be adopted by a majority of the votes cast by the Representatives at such meeting, including any adjourned session thereof. Upon approval of the annual operating budget, the net amount of estimated expenditures therein in excess of the estimated revenues therein shall be deemed assessed against the Members. The amount assessed against each Member shall be in the same proportion as the Member's weighted vote bears to the aggregate amount of votes capable of being cast by all Members. For such purposes, prior to the Initial PSC Termination Date, the Terminating Requirements Members shall be included in the weighted vote and the Terminating Requirements Members shall be assessed as Members as described in the foregoing sentence. Project Members shall be entitled to vote as Representatives on the annual operating budget to the extent permitted pursuant to clause B of Section 2 of Amendment No. 1. Assessments in connection with a particular Project shall be based on the percentage share of a Project participant in a particular Project calculated as set forth in clause C of Section 3 of Amendment No. 1. Upon the approval of the annual operating budget by the Representatives, the amount assessed against each Member shall become an obligation of the Member, enforceable, except as otherwise provided in this Section 9, as a contract right of the Agency. Such assessments shall be paid in accordance with the schedule prepared by the Board of Directors and submitted to the Representatives for their approval with the annual operating budget.

J. The first paragraph of Section 9(J) of the Original Agency Agreement is hereby amended to read as follows on and after the Initial PSC Termination Date:

With respect to voting involving both Project Members and Requirements Members, a quorum for a meeting of the Representatives shall consist of a majority of the total number of Representatives. With respect to voting involving only Requirements Members, a quorum for a meeting of the Representatives is (i) a majority of the total number of Representatives of Requirements Members, and (ii) that number of Representatives of Requirements Members which may, by weighted voting, cast a majority of the aggregate amount of votes capable of being cast by all Representatives of Requirements Members.

K. Section 9(L) of the Original Agency Agreement is hereby amended to read as follows on and after the Initial PSC Termination Date:

This Agency Agreement may only be amended at a regular or special meeting of the Representatives for which notice stating the purpose shall be given to each Representative and any such amendment shall only become effective when (i) approved by two-thirds of all of the Representatives, each casting one vote, (ii) approved and concurred in by Commission Resolutions and City Council Resolutions of two-thirds of all of the Members, and (iii) when such amendment, together with certified copies of such Commission Resolutions and such City Council Resolutions are filed with the Secretary of State.

The Bylaws may only be amended by the affirmative vote of two-thirds of the Representatives present and voting at an annual or special meeting.

L. Section 9(M) of the Original Agency Agreement is hereby amended to read as follows on and after the Initial PSC Termination Date:

This Agency Agreement may be terminated by the vote of two-thirds of the Representatives, each casting one vote, at a regular meeting or a meeting specially called for that purpose, but not until after all debts of the Municipal Power Agency have been paid; and only upon the approval of same by two-thirds of the Members, as evidenced by Commission Resolutions and City Council Resolutions filed with the Board of Directors. Thereafter, the Board of Directors shall liquidate the business of the Municipal Power Agency as expeditiously as possible, distribute the net proceeds to the Members in the ratio that the total assessments made against each of them bears to the sum of the total assessments made against all of them, and file notice of such termination, together with such Commission Resolutions and City Council Resolutions, with the Secretary of State.

IN WITNESS WHEREOF, the CITY OF AUSTIN, the CITY OF BLOOMING PRAIRIE, the CITY OF FAIRMONT, the CITY OF GRAND MARAIS, the CITY OF LAKE CITY, the CITY OF LITCHFIELD, the CITY OF MORA, the CITY OF NEW PRAGUE, the CITY OF NORTH BRANCH, the CITY OF OWATONNA, the CITY OF PRESTON, the CITY OF PRINCETON, the CITY OF REDWOOD FALLS, the CITY OF ROCHESTER, the CITY OF SAINT PETER, the CITY OF SPRING VALLEY, the CITY OF WASECA, and the CITY OF WELLS, have each caused this AMENDMENT NO. 1 to be executed and attested by a duly authorized officer, have each caused to be attached hereto the certified Resolution of its governing body, and the certified Resolution of its city council (or other body which is charged by law or its charter with the general control of such City's governmental affairs), and have caused this AMENDMENT NO. 1 to be filed with the Secretary of State of Minnesota, all as of the day and year first written above.

CITY OF AUSTIN

By _____
Mayor

By _____
President of Austin Utilities

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk

CITY OF BLOOMING PRAIRIE

By _____
Mayor

By _____
Chairman of Public Utilities Commission

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk

CITY OF FAIRMONT

By _____
Mayor

By _____
President of Public Utilities Commission

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF GRAND MARAIS

By _____
Mayor

By _____
[]

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF LAKE CITY

By _____
Mayor

By _____
Chairman of Utilities Board

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF LITCHFIELD

By _____
Mayor

By _____
[]

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF MORA

By _____
Mayor

By _____
[]

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF NEW PRAGUE

By _____
Mayor

By _____
Chairman of Water, Light, Power
and Building Commission

By _____
Representative

(Seal)

Attest:

By: _____
City Administrator

CITY OF NORTH BRANCH

By _____
Mayor

By _____
[]

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk

CITY OF OWATONNA

By _____
Mayor

By _____
President of Public Utilities Commission

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk-Treasurer

CITY OF PRESTON

By _____
Mayor

By _____
[]

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF PRINCETON

By _____
Mayor

By _____
[]

By _____
Representative

(Seal)

Attest:

By: _____
City Clerk

CITY OF REDWOOD FALLS

By _____
Mayor

By _____
President of Public Utilities Commission

By _____
Representative

(Seal)

Attest:

By: _____
City Administrator-Clerk

CITY OF ROCHESTER

By _____
Mayor

By _____
President of Public Utilities Board

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk

CITY OF SAINT PETER

By _____
Mayor

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk

CITY OF SPRING VALLEY

By _____
Mayor

By _____
President of Public Utilities Commission

By _____
Representative

(Seal)
Attest:
By: _____
City Clerk

EXHIBIT B
[RESOLUTIONS OF UTILITY BOARD]

GRAND MARAIS LIBRARY BOARD MINUTES

August 22, 2016

GRAND MARAIS LIBRARY BOARD MINUTES: AUGUST 22, 2016

Call to Order

President Audrey Stattelmann called the meeting of the Grand Marais Library Board to order at 5:30 PM at the Grand Marais Public Library.

Attendance

Members Present: Sally Berg, Hillary Freeman, Helen Muth, Jan Sivertson, Audrey Stattelmann, and Director, Steve Harsin

Members Absent: Jay Arrowsmith Decoux and Brienne Moody

Visitors

The Library Friends were represented by Mary Beams.

Consent Agenda

The consent agenda included the meeting minutes from July 2016 meeting and the bills submitted to the city council for payment. A motion/second were made by Sivertson/Freeman to accept the consent agenda with the attendance correction The motion passed.

Director's Report

- Harsin reported good interest in the community engagement events that have taken place during the month of August.
- Harsin has registered the Clerks and Library 1 staff for the MN Library Association Annual Conference in Duluth. (Elaine, Melissa, Ann, Patsy, Kristin, and Amanda). Board members can attend as well on Thursday, Sept. 29th. Steve will attend a library conference in Fargo in November as well.
- Steve contacted the company where the "patron counter" was purchased due to it not working regularly. He has not heard back from them yet.
- New Position: Final step is to set the rate of pay. It will be set at the council meeting on Aug. 31st. Then advertising for the position can take place.
- Picnic: The library staff served 200 hotdogs at the picnic to about 150 people. The picnic was a great success.
- See website for the upcoming programs at the library.
- Rain gutters have been installed over the staff doors.

Committee Reports

- Financial Committee: Steve, Jay, Hillary, & Audrey - Nothing to report.
- Policy Committee: Steve, Audrey, Sally, & Brienne - Nothing to report.
- Art Project Committee: Steve, Jay, Sally, Helen- Poetry Walk: Steve has taken over the work from Jay Arrowsmith. He has asked for a quote from a company that makes the rubber stamps for the concrete.
- Personnel Committee: Audrey, Sally, & Jan - Nothing to report.
- Film Night Committee: Hillary and Helen - *Friday, Sept, 16th is the first meeting to get organized for the year. Friday night Reels up for the season.*
- Berg provided an art committee report from their August 22nd meeting.

GRAND MARAIS LIBRARY BOARD MINUTES

August 22, 2016

Library Friends Liaison Report: Mary Beams reported on the library sale. The friends took in \$2413 in membership. Book sales were also good this year. The Library sales of donated books during the year was \$492. The board thanked Mary for the help from the Library Friends. Steve has an application for friends on request for the library that included support for items such as film night, programming, and revenue for the book budget. He asked the Friends for \$10,000.

Unfinished Business: None

New Business:

Audrey Reporting: Arrowhead board meeting was informed that she will be serving for another three years.

- **Art Committee:** This committee, made up of Berg, Moody, and Sivertson, will serve as a committee separate from the Art Project committee. Their focus will be on installing art inside the library and advising on placement of art and other furnishings. The group will establish a plan that will be put into effect when the library has funds to acquire the art. This group could generate a plan to accept donations. Sally Berg will chair the committee.

- **Trustee Continuing Education:** The board reviewed a “Short Takes for Trustees” film regarding A Practical Guide to Self-Evaluation and included printed support materials for the trustees.

- **Next Meeting:** September 22nd, 2016 at 5:30 pm.

Adjournment President Audrey Stattelmann adjourned the meeting at 6:17 pm.

Mission Statement: The Grand Marais Public Library contributes to an enlightened, connected community by providing resources and a welcoming environment where people of all ages find information and enjoyment, children discover the wonder of reading, and diversity is celebrated.

Upcoming Meeting Schedule

Updated September 23, 2016

SEPTEMBER

Date/Time	Meeting	Location
Tuesday, September 27, 9:00 a.m.	City Council Meeting	Council Chambers

OCTOBER

Date/Time	Meeting	Location
Wednesday, October 12, 6:30 p.m.	City Council Meeting	Council Chambers
Wednesday, October 26, 6:30 p.m.	City Council Meeting	Council Chambers