

CITY OF GRAND MARAIS
MINUTES
November 30, 2011

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

Members present: Larry Carlson, Bob Spry, Jan Sivertson, Tim Kennedy and Bill Lenz

Members absent: None

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood by telephone

Mayor Carlson 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 on the same subject. No one spoke.

Motion by Lenz, seconded by Kennedy to approve the Agenda with addition of Superior National Golf Course discussion; November 9, 2011, Minutes with correction; Payment of Bills; North Shore Ski and Run Club Application for Exempt Permit for a Raffle; and I.S.D. #166/ Cook County Schools Exempt Permit for a Raffle. Approved unanimously.

Bev Wolke, Chamber of Commerce, requested approval of the Grand Marais Hotel Company Shoreline Inn Storefront Loan application for \$15,000. The Chamber approved the loan application at their last meeting. The loan request is for repairing the awnings above the windows, repairing the timber frame entry and repairing the landscaping boxes in the parking lot.

Motion by Kennedy, seconded by Lenz to approve the Storefront Loan for the Shoreline Inn in the amount of \$15,000. Approved unanimously.

Jim King and Bob Fenwick, Superior National Golf Course, updated the council about the golf course finances and plans for the future. Superior National Golf Course is owned by the Grand Marais and Cook County Economic Development Authority. It was built 20 years ago on land donated by George and Patty Nelson. The development of the golf course was done with a bond for \$2.8 million and grants and loans from IRRRB. The golf course self-financed a nine-hole expansion in the amount of \$1.8 million. Loans from Cook County and Grand Marais were paid back. The current bond will mature in 2014. The economic impact is 30-40 seasonal employees and 3 full-time employees. To date, no property tax dollars have been spent on the golf course. When the golf course asked for \$1.8 million of 1% sales tax dollars, the county asked for an evaluation of the golf course. The golf course consultant saw average to good play on an exceptional venue and advised increasing the condition of play to that of The Quarry and The Wilderness Courses to a resort style of play. This means increasing the play by 3000 yards, making the traps and greens better, and adding resort amenities. Currently, the golf course is working to expand the existing course without any land acquisition. The process will include wetland delineation, permits, and storm water analysis before they can start any construction. The county has set aside \$3.1 million for the project and the golf course will apply for other grants and loans.

Motion by Kennedy, seconded by Spry to approve the Select Account Adoption Agreements for Flexible Spending Account (FSA) and Voluntary Employer Benefit Account (VEBA) Administration. Approved unanimously.

A property owner recently pointed out that she was overcharged for the 2008 Improvement Special Assessment. Although, the map we have shows the property at 80 feet and the county records showed the property at 80 feet, a search of the property in the Recorder's Office showed that 10' of the property had been sold to the neighboring property prior to the improvement project. The property owner has requested a refund of 10' of the assessment which is \$1,223.94.

Motion by Sivertson, seconded by Lenz to approve a refund of the 2008 Improvement Assessment to Elizabeth Pearson Trustee in the amount of \$1,223.94. Approved unanimously.

City Administrator Roth updated the council on the Community Connection Project in the park. The Park Board received a cost for the project from the engineer in a shocking amount. Tersteeg and Roth spent an hour with the engineers to go through the feedback and asked S.E.H. to restructure the project in an ala carte style so the board can choose affordable options.

Motion by Spry, seconded by Kennedy to close the meeting for a discussion of legal strategy regarding pending/threatened litigation between the City of Grand Marais and Burbach Aquatics, Inc. Approved unanimously.

The meeting was closed at 5:23 p.m.

This portion of the meeting was closed pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(b).

Members attending: Larry Carlson, Jan Sivertson, Tim Kennedy, Bob Spry, Bill Lenz, Chris Hood, Robert Scott, Mike Roth and Kim Dunsmoor.

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

There being no further business, the meeting adjourned at 6:13 p.m.