

AGENDA
CITY COUNCIL MEETING
January 8, 2014
4:30 P.M.

A. 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. Approve Consent Agenda

1. Approve Agenda
2. Approve Meeting Minutes
3. Approve Payment of Bills

E. Appointments to Boards and Commissions

F. Select Acting Mayor

G. Designate Official Newspaper

H. Designate Depositories of City Funds

I. Planning Commission Report
-Public Hearing Results

J. Emergency Management Training

K. 2014 Mileage Reimbursement

L. District Heating Financing Evaluation-Ehlers

M. Other items as necessary

N. Council & Staff Reports

O. Discussion of strategy for labor negotiation with AFSCME. This portion of the meeting will be closed pursuant to Minnesota Statutes, Section 13D.03.

P. Attached correspondence:

1. Other Meeting Minutes
2. Upcoming Meeting Schedule

Q. Adjourn

*CITY OF GRAND MARAIS
MINUTES
December 18, 2013*

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

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

Members absent: Bob Spry

Staff present: Mike Roth, Kim Dunsmoor and Chris Hood

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. No one spoke.

Motion by Kennedy, seconded by Lenz to approve the Agenda; December 11, 2013, Minutes; Payment of Bills; and Gambling Premises Permit for Birch Terrace and Confidence Learning Center. Approved unanimously.

Motion by Lenz, seconded by Kennedy to approve Resolution 2013-19 Approving Final 2013 Tax Levy, Collectible in 2014. Approved unanimously.

City staff received one quote from Superior Sign Works to repair the damaged sign located at the intersection of the Gunflint Trail and Highway 61 in the amount of \$8,975. Two other sign companies declined because they do not do that kind of work. The repair work will be paid by the insurance company of the person who damaged the sign.

Motion by Kennedy, seconded by Lenz to approve repair of the damaged sign at the intersection of the Gunflint Trail and Highway 61 by Superior Sign Works in the Spring. Approved unanimously.

Councilor Sivertson's Report:

- 1) Attended the YMCA meeting. It was exciting, fun and delightful. The YMCA has some issues with the concrete floor in the lobby entrance.

Councilor Kennedy's Report:

- 1) The PUC approved advertising of the RFP for the District Heating Boiler and Heat Transfer Component. We want to make sure of the cost to build the plant before going ahead. We are gathering information.
- 2) WTIP District Heating Conversation is tomorrow from 7 – 9 p.m.
- 3) The Planning Commission has an application for a microbrewery. We are pursuing an ordinance amendment to allow microbrewery/retail and coffee bean roasting/retail type businesses. City Attorney Hood will draw up the language for the January 7th Planning Commission Meeting.

There being no further business, the meeting adjourned at 4:47 p.m.



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Payments

City of Grand Marais

Current Period: January 2014

Batch Name	1092014AP	User Dollar Amt	\$474,453.89
	Payments	Computer Dollar Amt	\$474,453.89

\$0.00 In Balance

Refer 61636 *BOND TRUST SERVICES CORPOR* -

Cash Payment	E 301-47031-620 Fiscal Agent s Fees	\$450.00
Invoice 9942	12/18/2013	
Cash Payment	E 301-47029-620 Fiscal Agent s Fees	\$100.00
Invoice 9941	12/18/2013	
Cash Payment	E 301-47029-601 Debt Srv Bond Principal	\$60,000.00
Invoice 20951	12/18/2013	
Cash Payment	E 301-47029-611 Bond Interest	\$31,080.00
Invoice 20951	12/18/2013	
Cash Payment	E 301-47031-601 Debt Srv Bond Principal	\$90,000.00
Invoice 20950	12/18/2013	
Cash Payment	E 301-47031-611 Bond Interest	\$53,125.95
Invoice 20950	12/18/2013	
Cash Payment	E 301-47028-601 Debt Srv Bond Principal	\$95,000.00
Invoice 20949	12/18/2013	
Cash Payment	E 301-47028-611 Bond Interest	\$5,302.50
Invoice 20949	12/18/2013	
Cash Payment	E 301-47024-601 Debt Srv Bond Principal	\$35,000.00
Invoice 20948	12/18/2013	
Cash Payment	E 301-47024-611 Bond Interest	\$1,540.00
Invoice 20948	12/18/2013	
Cash Payment	E 301-47018-601 Debt Srv Bond Principal	\$30,000.00
Invoice 2886113	12/20/2013	
Cash Payment	E 301-47018-611 Bond Interest	\$705.00
Invoice 2886113	12/20/2013	
Transaction Date	1/2/2014	
	MAIN CHECKING G 10100	
	Total	\$402,303.45

Refer 61637 *MCI MEGA PREFERRED* -

Cash Payment	E 101-41400-321 Telephone	\$55.19
Invoice 08678993875	12/31/2013	
Cash Payment	E 211-45500-321 Telephone	\$1.84
Invoice 08678993875	12/31/2013	
Cash Payment	E 609-49750-321 Telephone	\$1.88
Invoice 08678993875	12/31/2013	
Cash Payment	E 101-45124-321 Telephone	\$1.27
Invoice 08678993875	12/31/2013	
Cash Payment	E 101-43100-321 Telephone	\$0.14
Invoice 08678993875	12/31/2013	
Cash Payment	E 613-45125-321 Telephone	\$0.38
Invoice 08678993875	12/31/2013	
Transaction Date	1/2/2014	
	MAIN CHECKING G 10100	
	Total	\$60.70

Refer 61639 *WIRTZ BEVERAGE MINNESOTA* -

Cash Payment	E 609-49750-251 Liquor For Resale	\$4,114.85
Invoice 1080124182	12/23/2013	
Cash Payment	E 609-49750-333 Freight and Express	\$87.87
Invoice 1080124182	12/23/2013	



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Current Period: January 2014

Cash Payment	E 609-49750-259 Other For Resale				\$60.71
Invoice	1080124182	12/23/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$246.40
Invoice	2080024069	12/3/2013			
Cash Payment	E 609-49750-333 Freight and Express				-\$3.70
Invoice	2080024069	12/3/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$134.30
Invoice	2080023840	11/28/2013			
Cash Payment	E 609-49750-333 Freight and Express				-\$1.85
Invoice	2080023840	11/28/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$126.00
Invoice	2080024068	12/3/2013			
Transaction Date	1/2/2014		MAIN CHECKING G	10100	Total \$3,751.18
Refer	61643 MN DEPT. OF HEALTH				
Cash Payment	E 613-45125-439 Licenses				\$513.50
Invoice	FBL15036-13508	1/2/2014			
Transaction Date	1/2/2014		MAIN CHECKING G	10100	Total \$513.50
Refer	61644 G&G SEPTIC				
Cash Payment	E 101-43100-418 Portable Toilet Rentals				\$48.25
Invoice	7111	12/28/2013			
Transaction Date	1/2/2014		MAIN CHECKING G	10100	Total \$48.25
Refer	61645 FLEET ONE LLC				
Cash Payment	E 101-43100-212 Motor Fuels				\$1,349.11
Invoice	4452910028	12/31/2013			
Cash Payment	E 101-43100-212 Motor Fuels				\$24.42
Invoice	4452920028	12/31/2013			
Cash Payment	E 101-43100-212 Motor Fuels				\$75.78
Invoice	4452890028	12/31/2013			
Cash Payment	E 101-45100-212 Motor Fuels				\$28.63
Invoice	4452920028	12/31/2013			
Cash Payment	E 101-45100-212 Motor Fuels				\$136.24
Invoice	4452890028	12/31/2013			
Transaction Date	1/2/2014		MAIN CHECKING G	10100	Total \$1,614.18
Refer	61647 BLOOMQUIST, LEN				
Cash Payment	E 101-43100-430 Miscellaneous (GENERA				\$200.00
Invoice	BOOTS	1/2/2014			
Transaction Date	1/2/2014		MAIN CHECKING G	10100	Total \$200.00
Refer	61648 MEDIACOM-MIDWEST				
Cash Payment	E 101-45100-258 Cable TV Expense				\$79.61
Invoice	83849223400001	12/2/2013			
Transaction Date	1/2/2014		MAIN CHECKING G	10100	Total \$79.61
Refer	61649 GRAND MARAIS AUTO PARTS, INC				
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE				\$8.27
Invoice	639622	11/25/2013			
Cash Payment	E 613-45125-211 Operating Supplies				\$32.03
Invoice	639707	11/26/2013			



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Cash Payment	E 101-43100-220 Repair/Maint Supply (GE)			\$97.63
Invoice	639783	11/27/2013		
Cash Payment	E 101-42200-220 Repair/Maint Supply (GE)			\$14.92
Invoice	639710	11/26/2013		
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE)			\$2.36
Invoice	639622	11/25/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$155.21
Refer	61650 NINAWORKS!			
Cash Payment	E 101-45100-340 Advertising			\$585.00
Invoice	140420	12/27/2013		
Cash Payment	E 613-45125-340 Advertising			\$216.00
Invoice	140040	12/27/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$801.00
Refer	61651 JAVA MOOSE			
Cash Payment	E 101-45124-210 Operating Supplies (GE)			\$33.00
Invoice	790	12/27/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$33.00
Refer	61652 QUILL CORPORATION			
Cash Payment	E 101-45100-200 Office Supplies (GENER)			\$84.69
Invoice	7863704	12/6/2013		
Cash Payment	E 101-45100-200 Office Supplies (GENER)			\$14.56
Invoice	7822247	12/6/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$99.25
Refer	61653 NORTHERN WILDS			
Cash Payment	E 101-45100-200 Office Supplies (GENER)			\$423.20
Invoice	12209	12/16/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$423.20
Refer	61654 COMO OIL & PROPANE			
Cash Payment	E 101-45124-217 Heating Fuel			\$2,436.47
Invoice	621560	12/11/2013		
Cash Payment	E 101-41940-217 Heating Fuel			\$1,222.04
Invoice	621601	12/13/2013		
Cash Payment	E 101-42200-217 Heating Fuel			\$1,332.91
Invoice	636570	12/13/2013		
Cash Payment	E 211-45500-217 Heating Fuel			\$619.93
Invoice	621597	12/13/2013		
Cash Payment	E 101-45100-217 Heating Fuel			\$710.88
Invoice	636622	12/23/2013		
Cash Payment	E 101-45124-217 Heating Fuel			\$3,136.96
Invoice	621715	12/26/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$9,459.19
Refer	61655 BOREAL ACCESS			
Cash Payment	E 101-45100-210 Operating Supplies (GE)			\$84.95
Invoice	131216-0188	12/16/2013		
Cash Payment	E 211-45500-449 Automation			\$59.85
Invoice	131216-0188	12/16/2013		
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total \$144.80



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Refer	61656	<i>CRYSTEEL TRUCK EQUIPMENT</i>	-					
Cash Payment	E 101-43100-220	Repair/Maint Supply (GE					\$789.36	
Invoice	F33958	12/17/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$789.36	
Refer	61657	<i>BOBCAT OF DULUTH, INC.</i>	-					
Cash Payment	E 101-43100-220	Repair/Maint Supply (GE					\$120.01	
Invoice	132315	12/16/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$120.01	
Refer	61658	<i>FIRE SAFETY USA, INC.</i>	-					
Cash Payment	E 101-42200-580	Capital Outlay (Equipme					\$2,135.00	
Invoice	65255	12/27/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$2,135.00	
Refer	61659	<i>TOTAL REGISTER</i>	-					
Cash Payment	E 609-49750-220	Repair/Maint Supply (GE					\$242.07	
Invoice	1041768	12/24/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$242.07	
Refer	61660	<i>BERNICKS</i>	-					
Cash Payment	E 609-49750-260	Soft Drinks/Mix For Resa					\$69.55	
Invoice	375274	12/19/2013						
Cash Payment	E 609-49750-252	Beer For Resale					\$3,458.10	
Invoice	375275	12/19/2013						
Cash Payment	E 609-49750-252	Beer For Resale					\$3,505.15	
Invoice	376213	12/26/2013						
Cash Payment	E 609-49750-259	Other For Resale					\$31.00	
Invoice	376213	12/16/2013						
Cash Payment	E 609-49750-260	Soft Drinks/Mix For Resa					\$68.00	
Invoice	376212	12/26/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$7,131.80	
Refer	61661	<i>SUPERIOR BEVERAGES LLP</i>	-					
Cash Payment	E 609-49750-252	Beer For Resale					\$1,601.15	
Invoice	441516	12/31/2013						
Cash Payment	E 609-49750-259	Other For Resale					\$18.65	
Invoice	441516	12/31/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$1,619.80	
Refer	61662	<i>COCA-COLA REFRESHMENTS</i>	-					
Cash Payment	E 609-49750-260	Soft Drinks/Mix For Resa					\$107.50	
Invoice	678020610	12/31/2013						
Transaction Date	1/2/2014		MAIN CHECKING G	10100		Total	\$107.50	
Refer	61663	<i>ROHLFING INC.</i>	-					
Cash Payment	E 609-49750-252	Beer For Resale					\$2,675.10	
Invoice	389087	12/18/2013						
Cash Payment	E 609-49750-252	Beer For Resale					\$3,760.80	
Invoice	389342	12/26/2013						
Cash Payment	E 609-49750-259	Other For Resale					\$8.50	
Invoice	389342	12/26/2013						
Cash Payment	E 609-49750-252	Beer For Resale					\$3,571.45	
Invoice	389582	12/31/2013						



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Cash Payment	E 609-49750-259 Other For Resale				\$24.00
Invoice	389582	12/31/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$10,039.85
Refer	61664	<u>SUNDEW TECHNICAL SERVICES</u>			
Cash Payment	E 101-41400-300 Professional Svcs (GENE				\$245.95
Invoice	CITY HALL	12/27/2013			
Cash Payment	E 211-45500-449 Automation				\$863.99
Invoice	GM LIBRARY	12/10/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$1,109.94
Refer	61665	<u>NCPERS GROUP LIFE INS.</u>			
Cash Payment	G 101-21710 NCPERS-Pera				\$16.00
Invoice	4936114	12/20/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$16.00
Refer	61666	<u>BLUE CROSS/BLUE SHIELD OF M</u>			
Cash Payment	G 101-21706 Health Insurance				\$9,828.00
Invoice	CI926-VO 8	12/26/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$9,828.00
Refer	61667	<u>DEMCO,INC</u>			
Cash Payment	E 211-45500-200 Office Supplies (GENER				\$67.39
Invoice	5160415	12/12/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$67.39
Refer	61668	<u>PUBLIC UTILITIES COMMISSION1 Ck# 002404E 1/2/2014</u>			
Cash Payment	E 101-41940-380 Utility Services (GENER				\$1,478.59
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-43100-380 Utility Services (GENER				\$28.42
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-45100-380 Utility Services (GENER				\$587.97
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-43100-381 Street Light Utilities				\$2,602.15
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-42700-380 Utility Services (GENER				\$177.51
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-42200-382 Fire Hydrant Utilities				\$1,103.70
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-45189-380 Utility Services (GENER				\$38.56
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 211-45500-380 Utility Services (GENER				\$630.30
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-45124-380 Utility Services (GENER				\$2,269.78
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-45184-380 Utility Services (GENER				\$309.36
Invoice	DEC. 2013	1/2/2014			
Cash Payment	E 101-42200-380 Utility Services (GENER				\$135.44
Invoice	DEC. 2013	1/2/2014			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$9,361.78
Refer	61669	<u>NATIONAL GEOGRAPHIC SOCIET</u>			



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Payments

City of Grand Marais

Current Period: January 2014

Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$46.70
Invoice	00083128447	11/16/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$46.70
Refer	61670 SHI INTERNATIONAL CORP. -				
Cash Payment	E 211-45500-449 Automation				\$27.00
Invoice	B01579319	12/16/2013			
Cash Payment	E 211-45500-449 Automation				\$104.00
Invoice	BO1559687	12/9/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$131.00
Refer	61671 BAKER & TAYLOR -				
Cash Payment	E 215-45500-435 Books, Periodicals, AV				\$163.60
Invoice	2028910229	12/23/2013			
Cash Payment	E 215-45500-435 Books, Periodicals, AV				\$347.33
Invoice	2028870394	12/12/2013			
Cash Payment	E 215-45500-435 Books, Periodicals, AV				\$297.14
Invoice	2028838074	12/4/2013			
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$31.37
Invoice	M31966670	12/23/2013			
Cash Payment	E 215-45500-435 Books, Periodicals, AV				\$38.87
Invoice	M31045820	12/10/2013			
Transaction Date	1/2/2014	MAIN CHECKING G	10100	Total	\$878.31
Refer	61676 ISAK HANSEN DEPUTY #074 -				
Cash Payment	E 101-43100-430 Miscellaneous (GENERA				\$16.00
Invoice	919546	1/3/2014			
Cash Payment	E 101-43100-430 Miscellaneous (GENERA				\$16.00
Invoice	934148	1/3/2014			
Cash Payment	E 101-45100-439 Licenses				\$16.00
Invoice	925279	1/3/2014			
Cash Payment	E 101-45100-439 Licenses				\$16.00
Invoice	918308	1/3/2014			
Cash Payment	E 613-45125-439 Licenses				\$16.00
Invoice	150555	1/3/2014			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$80.00
Refer	61677 G&K SERVICES -				
Cash Payment	E 101-41940-210 Operating Supplies (GE				\$323.53
Invoice	1229888904	12/31/2013			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$323.53
Refer	61678 JOHNSON S FOODS -				
Cash Payment	E 101-45124-210 Operating Supplies (GE				\$19.92
Invoice	1848	12/27/2013			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$19.92
Refer	61679 COOK COUNTY VISITORS BUREA -				
Cash Payment	G 101-20802 Cook County Lodging Tax				\$7,379.04
Invoice	NOV. 2013	1/2/2014			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$7,379.04
Refer	61680 SUPERIOR LUMBER & SPORTS -				



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Current Period: January 2014

Cash Payment	E 101-45100-220 Repair/Maint Supply (GE				\$88.40
Invoice	DEC. 2013	12/31/2013			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$88.40
Refer	61681	G&G SEPTIC			
Cash Payment	E 101-45100-418 Portable Toilet Rentals				\$126.97
Invoice	7110	12/28/2013			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$126.97
Refer	61682	COOK COUNTY AUDITOR-TREASU			
Cash Payment	E 101-41610-306 Attorney (Criminal)				\$3,125.00
Invoice	4908	12/20/2013			
Transaction Date	1/3/2014	MAIN CHECKING G	10100	Total	\$3,125.00

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$45,179.14
211 LIBRARY		\$2,452.37
215 LIBRARY RESTRICTED FUND		\$846.94
301 DEBT SERVICE FUND		\$402,303.45
609 MUNICIPAL LIQUOR FUND		\$22,894.08
613 GOLF COURSE		\$777.91
		<u>\$474,453.89</u>

Pre-Written Checks	\$9,361.78
Checks to be Generated by the Computer	\$465,092.11
Total	<u>\$474,453.89</u>



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Payments

Current Period: December 2013

Batch Name	122413 CPAP Payments	User Dollar Amt	\$57,053.36	Computer Dollar Amt	\$57,053.36		
						\$0.00	In Balance
Refer	61606 PERA	Ck# 002391E	12/27/2013				
Cash Payment	G 101-21704 PERA						\$4,220.05
Invoice	26 CPYR 13		12/27/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$4,220.05
Refer	61607 ING	Ck# 002392E	12/26/2013				
Cash Payment	G 101-21720 MN State Retirement DeferC						\$240.00
Invoice	26 CPYR 13		12/26/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$240.00
Refer	61608 DEPT OT THE TREASURY IRS	Ck# 002393E	12/27/2013				
Cash Payment	G 101-21703 FICA Tax Withholding						\$3,754.80
Invoice	26 CPYR 13		12/27/2013				
Cash Payment	G 101-21717 Medicare						\$883.50
Invoice	26 CPYR 13		12/27/2013				
Cash Payment	G 101-21701 Federal Withholding						\$2,713.44
Invoice	26 CPYR 13		12/27/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$7,351.74
Refer	61609 MN DEPT OF REVENUE-EFTPS	Ck# 002394E	12/24/2013				
Cash Payment	G 101-21702 State Withholding						\$1,306.14
Invoice	26 CPYR 13		12/24/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$1,306.14
Refer	61610 BLUE CROSS/BLUE SHIELD OF MN						
Cash Payment	G 101-21706 Health Insurance						\$21,874.00
Invoice	DEC 2013		12/14/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$21,874.00
Refer	61611 MII LIFE-FLEX	Ck# 002395E	12/26/2013				
Cash Payment	G 101-21713 Flex Plan Spending						\$11.45
Invoice	26 CPYR 13		12/27/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$11.45
Refer	61612 MII LIFE- HRA	Ck# 002396E	12/26/2013				
Cash Payment	E 609-49750-131 Employer Paid Health						\$46.66
Invoice	26 CPYR 13		12/24/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$46.66
Refer	61613 ARCTIC GLACIER INC.						
Cash Payment	E 609-49750-259 Other For Resale						\$160.65
Invoice	28180		12/18/2013				
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total			\$160.65
Refer	61614 JOHNSON BROTHER LIQUOR						
Cash Payment	E 609-49750-251 Liquor For Resale						\$7,255.29
Invoice	1741202		12/18/2013				
Cash Payment	E 609-49750-259 Other For Resale						\$191.00
Invoice	1741202		12/18/2013				



CITY OF GRAND MARAIS

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Payments

City of Grand Marais

Current Period: December 2013

Cash Payment	E 609-49750-333 Freight and Express				\$236.87
Invoice	1741202	12/18/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				\$2,159.90
Invoice	1741200	12/18/2013			
Cash Payment	E 609-49750-333 Freight and Express				\$92.52
Invoice	1741200	12/18/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				\$20.99
Invoice	1741201	12/18/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$41.60
Invoice	601512	12/10/2013			
Cash Payment	E 609-49750-333 Freight and Express				-\$2.57
Invoice	601512	12/10/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$11.31
Invoice	600864	12/4/2013			
Transaction Date	12/24/2013		MAIN CHECKING G 10100	Total	\$9,901.09
Refer	61615 PHILLIPS WINE & SPIRITS				
Cash Payment	E 609-49750-251 Liquor For Resale				\$4,149.49
Invoice	2532942	12/18/2013			
Cash Payment	E 609-49750-333 Freight and Express				\$118.66
Invoice	2532942	12/18/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$31.00
Invoice	3517412	12/5/2013			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$40.00
Invoice	3517649	12/10/2013			
Cash Payment	E 609-49750-333 Freight and Express				-\$2.57
Invoice	3517649	12/10/2013			
Transaction Date	12/24/2013		MAIN CHECKING G 10100	Total	\$4,194.58
Refer	61616 CANNON RIVER WINERY				
Cash Payment	E 609-49750-251 Liquor For Resale		Rec product 12/18/13		\$660.00
Invoice	6135	12/10/2013			
Transaction Date	12/24/2013		MAIN CHECKING G 10100	Total	\$660.00
Refer	61617 PAUSTIS & SONS				
Cash Payment	E 609-49750-251 Liquor For Resale				\$156.00
Invoice	8429895-IN	12/19/2013			
Cash Payment	E 609-49750-333 Freight and Express				\$16.40
Invoice	8429895-IN	12/19/2013			
Transaction Date	12/24/2013		MAIN CHECKING G 10100	Total	\$172.40
Refer	61618 AFSCME				
Cash Payment	G 101-21712 AFSME Union Dues				\$652.88
Invoice	DEC 2013	12/27/2013			
Transaction Date	12/24/2013		MAIN CHECKING G 10100	Total	\$652.88
Refer	61619 MII LIFE - VEBA				
Cash Payment	G 101-21706 Health Insurance				\$633.37
Invoice	DEC 2013	12/27/2013			
Transaction Date	12/24/2013		MAIN CHECKING G 10100	Total	\$633.37
Refer	61620 SUPERIOR BEVERAGES LLP				



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Payments

City of Grand Marais

Current Period: December 2013

Cash Payment	E 609-49750-252 Beer For Resale				\$3,484.85
Invoice	440797	12/18/2013			
Cash Payment	E 609-49750-252 Beer For Resale				\$2,034.00
Invoice	440797	12/18/2013			
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total	\$5,518.85

Refer 61621 THE AMERICAN BOTTLING COMP

Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$109.50
Invoice	2436719541	12/23/2013			
Transaction Date	12/24/2013	MAIN CHECKING G	10100	Total	\$109.50

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$36,289.63
609 MUNICIPAL LIQUOR FUND		\$20,763.73
		<u>\$57,053.36</u>

Pre-Written Checks	\$13,176.04
Checks to be Generated by the Computer	\$43,877.32
Total	<u>\$57,053.36</u>

City of Grand Marais

MEMO

TO: Mayor Carlson
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: January 3, 2014
SUBJECT: Official City Depository

Please approve the following list of depositories of City funds for 2014.

Grand Marais State Bank
North Shore Federal Credit Union
Security State Bank
LMC/ 4M Fund
Morgan Stanley Smith Barney

City of Grand Marais

MEMO

TO: Mayor Carlson
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: January 3, 2014
SUBJECT: Planning Commission Report

The planning commission is holding a public hearing on January 7 at 4:00 p.m. to consider amending the zoning ordinance to allow for combined retail-manufacturing uses such as microbreweries in the commercial zones. A detailed report with their recommendation will be available on Wednesday at your meeting.

CityHall

From: Jim Wiinanen [Jim.Wiinanen@co.cook.mn.us]
Sent: Monday, December 09, 2013 11:44 AM
To: Mike Roth (cityhall@boreal.org); 'Dennis Brescacin'; 'neebing@neebing.org'
Subject: Bringing a Cross border Training to our Area
Attachments: Grand Portage app and letter.pdf; Attachment C_PigeonRiverSteeringCommitteeAreaofConcern_rev1.pdf; IEMC 2015 Course (2).pdf; The Area of Concern text.pdf

Mike Roth (city administrator), Larry Carlson (mayor), Ziggy Polkowski (mayor), Dennis Brescacin (TB Fire/Rescue Director of Administration)

Attached is background information, cover letter and additional application information for a FEMA Emergency Management Institute course that can be offered in our area. Called an Integrated Emergency Management Course (IEMC)- E930 this mobile course will bring the instructors and all materials to our area. These courses are intended for all the players in a jurisdiction (the list recommended in the EMI catalog covers 65 job titles of persons who should attend!). I have included the cover letters from Grand Portage and Cook County and would hope to receive a similar letter and additional application information as indicated from Neebing, Thunder Bay and Grand Marais.

After careful consideration you can send your cover letter and additional information (OK to be brief here) to me and I will include them in our application package for the state and the feds.

This is a unique opportunity to have this program come to our area and assist us with mutual aid response across our international border.

Jim

Jim Wiinanen
Emergency Management Director
Cook County
143 Gunflint Trail
Grand Marais, MN 55604
Direct: 218-387-3059
Cell: 218-370-9660
Fax: 218-387-3087
E-mail: jim.wiinanen@co.cook.mn.us
15T YN 00424 92787 US National Grid
www.co.cook.mn.us

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Integrated Emergency Management Course Background Information

Email from Emergency Management Institute:

Greetings, Jim

As Bob has stated, we do conduct IEMC for communities/jurisdictions but they are planned about a year in advance through a request process. See attached link:

<http://training.fema.gov/EMIWeb/IEMC/communityspec.asp>

We have selected the FY14 communities already, but you can certainly apply for FY15 anytime.

I would be interested in what you would be proposing. We have done cross-border IEMC;s before (ie. Mexico/US) and much has to do with what side of the border the course would be conducted – as well as other administrative issues.

Ray Chevalier
Senior Training Specialist
Integrated Emergency Management Branch
FEMA/Emergency Management Institute
16825 South Seton Avenue
Emmitsburg, MD 21727
Office: (301) 447-1187
Email: ray.chevalier@fema.dhs.gov

Website Info:

IEMC: Community-specific

Community-specific Integrated Emergency Management Courses provide an in-depth exercise for participants from a single jurisdiction. Community-specific IEMCs are written to reflect the hazards or events facing the jurisdiction, the type of EOC used by the jurisdiction, and the organizations included in the jurisdiction emergency plans. Skilled EMI exercise specialists conduct a pre-course analysis with the jurisdiction in order to collect location information, identify critical infrastructure, study transportation systems, and analyze current response plans. From this information, exercises are built to test the jurisdiction's planned approach to specific hazards and to surface issues for which the IEMC participants may need to re-evaluate and develop corrective action plans. In many cases, jurisdictions that completed a Community-specific IEMC returned home to a real-life crisis. In all cases, jurisdictions report that the Community-specific IEMC established teams and procedures that would not have been created elsewhere.

AUG 2007 article "FEMA Course Aided Quick Response, Officials Say

"The swift response to the deadly collapse of an eight-lane bridge in Minneapolis (2007) last week is partially attributed to two Federal Emergency Management Agency courses emergency-responders took in the past five years."

This article is in reference to a Minneapolis Community-specific IEMC conducted in 2005.

Each year various States, counties, cities, and communities throughout the United States express an interest in FEMA/EMI conducting an IEMC for their jurisdictions. Community-specific IEMCs require a

major commitment from both the community and FEMA, as well as from the FEMA Regional Office and State Office of Emergency Management.

Because the demand for Community-specific IEMCs exceeds EMI's resources; application criteria and a formal selection process have been established. Both the selection process and information that will be reviewed to determine acceptance of a request are outlined below.

Questions regarding the community-specific IEMCs can be directed to your State emergency management agency, your FEMA Regional Office, or directly to EMI in Emmitsburg, Maryland at Ray.Chevalier@fema.dhs.gov.

Steps in the Application/Selection Process

- **Step 1.** The chief official of the jurisdiction submits a letter of request and the application addressing the specific jurisdictional characteristics and disaster data criteria, to the respective State Office of Emergency Management.
- **Step 2.** If the State Office of Emergency Management supports the request, it will attach a letter of endorsement outlining how acceptance of this request will meet State emergency management objectives.
- **Step 3.** The State's endorsement letter and the jurisdiction's application package is forwarded to the appropriate FEMA Regional Office. If the FEMA Regional Office supports the application, it will include an endorsement for each community it recommends. Each FEMA Regional Office will prioritize and forward the appropriate application packages to the Emergency Management Institute.
- **Deadline.** Applications must be received at EMI from the FEMA Regional Offices no later than January 15 each year. Between January 15 and February 15, EMI staff will evaluate the applications. By March 31, the jurisdictions selected to receive a IEMC in the upcoming fiscal year will be notified. Those jurisdictions not selected will also be notified. In addition, FEMA Regional Offices and State Emergency Management Offices will be notified of the selections. Communities that are not selected but would like to be considered for the next year must re-apply. Applications are not automatically reconsidered in the next year.

(on county commissioner letterhead)

Lois Anderson, Training Administrator
Homeland Security and Emergency Management
445 Minnesota Street, Suite 223
St. Paul, MN 55101

(date)

Dear Lois,

The County of Cook Minnesota would like to request an Emergency Management Institute, Community Specific, mobile E930: Integrated Emergency Management Course to be conducted in our area in FY2015. This course would be especially important in developing our capabilities to respond across local as well as international boundaries.

For several years the various emergency preparedness and response agencies and organizations have met to address cross border mutual assistance. With the passage of S.J. Resolution 44 consenting to states and provinces entering into an Emergency Assistance Memorandum of Understanding, it is incumbent on local jurisdictions to develop similar MOUs to provide assistance until such State and Provincial resources can be deployed.

It is our intention to work with our partner jurisdictions and agencies to develop local cross-border MOUs to provide emergency assistance as needed.

We look forward to bringing together several jurisdictions and agencies, many emergency response functions and key individuals for this training and exercise opportunity to test our plans and agreements.

Sincerely,

Jan Hall, Chair
Cook County Board of Commissioners

Attachments:
Map: Area of Concern
Requested Supporting Documentation

Community-Specific IEMC Application Requirements:

Additional Information: County of Cook Minnesota

- Population of jurisdiction: 5,185 (2012 census). The total population in the Area of Concern is approximately 125,000. The jurisdictions included in the Area of Concern include:

Cook County (City of Grand Marais, Grand Portage Reservation, Townships of Schroeder, Tofte and Lutsen and a large Unorganized Territory)

Lake County (the eastern portion of the county is rural and classified as wildland urban interface)

Thunder Bay, Ontario (The city proper and subdivision of Neebing, and a large unorganized area of Crown Land)

- Government structure (include organizational chart); clarify if the request is for a single jurisdiction (e.g., one city) or a combination of jurisdictions (e.g., a city and county).

Cook County is governed by an elected board of 5 county commissioners. Cook County has just created and filled the County Administrator position. This request is for multiple jurisdictions (city, county, tribal, and municipality including adjacent Canadian jurisdictions) each will supply their own request letter and background information. The EOC for the county is located in the Law Enforcement Center and operates under the incident command system.

- A narrative that includes the status of Emergency Management in the community, including past disaster history.

Cook County has a full time Emergency Management Director under the direction of the Sheriff. Cook County has participated in 5 Presidential Disaster declarations, but has experienced damage from many local disasters (windstorms, ice and snowstorms, technological failures, wildfires). The county has an active Emergency Preparedness Committee which brings many response partners to the table.

- Emergency Management training and exercise history.

The position of county Emergency Manager has been filled, at least part-time, since the civil defense days and full time since 1999 after the 400,000 acre blowdown windstorm event. The current Emergency Management Director became certified by MN HSEM on January 9, 2009. In addition to participating in local and regional training and exercises, the annual Cook County Emergency Services Conference has brought training and exercises to the community for 25 years. All response and policy groups have been able to work together during this conference. In recent years participation has included the adjacent Lake County and jurisdictions from across the border in Canada. Recent active shooter event at the Courthouse has resulted in physical changes and considerable training and exercising by personnel and response agencies.

- Specific hazards facing the jurisdiction and/ or specific hazards requested to be addressed in the IEMC.

The 2010 updated Cook County All Hazard Mitigation plan, which includes Grand Portage Reservation identifies the many possible hazards in our area and prioritizes those hazards of major concern. The new 2012 Threat-Hazard Identification and Risk Assessment (THIRA) also identifies areas of concern. Of 36 threats/hazards, the highest ranked include wildfire, major winter storm, flash flood, technological failure, power grid failure, ice storm, and hazmat spill in the transportation sector.

Our intent would be to have the multi-jurisdictional group, the Pigeon River Steering Committee, determine the specific hazard to be addressed in the IEMC.

In addition to emergency response along our one major transportation corridor between the two countries, we also face the prospect of responding to events on either side of the border along the 250 mile remote, often wilderness, common boundary of US counties of Cook, Lake and St. Louis, Grand Portage Reservation and the province of Ontario.

- Any major national events or special events planned for the jurisdiction, such as sporting events, conventions, etc.

Significant local events include winter sled dog races, summer community celebration-Fisherman's Picnic, Dragon Boat Races, fall Unplugged music concert "under the big top". These events bring an additional 500 to 1000 visitors to our community in a concentrated area. In addition to these events the number of people in the Area of concern probably expands 10x during the spring-summer-fall tourism season.

- The community Emergency Management objective(s) that will be accomplished through participation in an IEMC Program.

This IEMC will provide an opportunity for multiple jurisdictions across our international border to exercise our response capabilities when an event either affects both sides of the border or overwhelms the resources of any individual jurisdiction.

- Specific hazard scenario to be used in the exercises.

Possibly a hazardous material tanker collision with senior tour bus in close proximity to the international border resulting in emergency medical response, fire, evacuation, etc. Our priorities will be identified during the Pigeon River Steering Committee meetings.

- Point of contact information for this request:

For Cook County and Area Lead:

**Jim Wiinanen
Cook County Emergency Management Director
143 Gunflint Trail
Grand Marais, MN 55604
jim.wiinanen@co.cook.mn.us
218-387-3059**

The Area of Concern

This area has one Port of Entry border crossing: Grand Portage/Pigeon River (Customs and Border Protection) and Pigeon River (Canada Border Services Agency). Highway 61 is the single roadway crossing the border in this area.

The length along the MN-Ontario boundary from Grand Portage/Pigeon River Port of Entry west to the next Port of Entry at Fort Frances, Ontario and International Falls, MN is about 400km (250 miles). By road the I-Falls/Fort Frances POE is 390km (240 miles), about 4.5-5 hr driving time on the Canadian side. Along the US side the distance is about 460km (286miles) about 5-5.5 hr driving time.

To the east the next Port of Entry is Sault St. Marie, 700km (430miles) about 6-7 hrs driving time on the Canadian side. On the US side one needs to travel southwest along the coast of Lake Superior then east across Wisconsin and Michigan to get to the Sault, over 900km (560 miles) needing about 10.5 hrs.



GRAND PORTAGE RESERVATION TRIBAL COUNCIL

Norman W. Deschampe - Chairman • John Morrin - Vice Chairman • April McCormick - Secretary/Treasurer
Marie Spry - Councilwoman • Arvid Dahl - Councilman

Lois Anderson, Training Administrator
Homeland Security and Emergency Management
445 Minnesota Street, Suite 223
St. Paul, MN 55101

Dear Lois,

The Grand Portage Band of Lake Superior Chippewa would like to request an Emergency Management Institute, Community Specific, mobile E930: Integrated Emergency Management Course to be conducted in our area in FY2015. This course would be especially important in developing our capabilities to respond across local as well as international boundaries.

The Grand Portage Reservation has hosted two Cross Border Conferences, with the purpose of bringing together various emergency response agencies, to address cross border mutual assistance. The Community Specific, Integrated Emergency Management Course will further enhance our ability to work with our partner jurisdictions and agencies to develop local cross-border MOUs to provide emergency assistance.

We look forward to bringing together several jurisdictions and agencies, many emergency response functions and key individuals for this training and exercise opportunity to test our plans and agreements.

Sincerely,

A handwritten signature in black ink that reads "Norman W. Deschampe".

Norman W. Deschampe, Chairman
Grand Portage Tribal Council

Attachments:

Map: Area of Concern
Requested Supporting Documentation

Communities must include the following information in their application:

- Population of jurisdiction.

The Grand Portage Reservation, located in Grand Portage Minnesota, within Cook County has a current population of 419 residents.

- A brief description of the government structure (include organizational chart); clarify if the request is for a single jurisdiction (e.g., one city) or a combination of jurisdictions (e.g., a city and county).

All governmental powers of the Grand Portage Reservation are delegated by the Constitution to the Grand Portage Reservation Tribal Council. The Reservation Tribal Council is comprised of a Chairman, a Vice Chairman, a Secretary/Treasurer and two Committeemen. The council members are elected at large by enrolled eligible voters of the Grand Portage Reservation. Grand Portage is submitting this request with other jurisdictions included in the application.

- A narrative that includes the status of Emergency Management in the community, including past disaster history.

The Grand Portage Reservation has employed an Emergency Management Director since 2006, this position has a dual role and is also the Occupational Safety Officer for the Tribe. Grand Portage has never declared a major disaster. Grand Portage is located in the upper NE corner of Minnesota and borders Canada and is at the end of the power grid. Grand Portage experiences frequent power outages, some that have lasted up to four days in inclement weather. Grand Portage also has experienced ice and snowstorms, windstorms, and technological failures. Grand Portage consists of 44,673 acres of which 7,246 acres are individually owned and 37,427 acres are tribal lands. There has never been a major wildfire on the tribal lands however with this many unpopulated acres there is potential for wildfires.

- Emergency Management training and exercise history.

The Grand Portage Emergency Management Director has been in this position since June of 2011, and has completed various trainings including; National Incident Command System courses offered by FEMA, Community Emergency Response Team, and ARMER radio system training. Grand Portage also participates in local and regional exercises, some include jurisdictions across the international border in Canada.

- Specific hazards facing the jurisdiction and/ or specific hazards requested to be addressed in the IEMC.

The Grand Portage Reservation is included in the Cook County All Hazard Mitigation plan identifying many hazards of concern. The Grand Portage Threat Hazard Identification and Risk Assessment (THIRA) identifies power grid failure, ice and major winter storms, flash floods and wildfires as some of the high ranking hazards.

- Any major national events or special events planned for the jurisdiction, such as sporting events, conventions, etc.
Grand Portage hosts an annual Pow Wow known as “Rendezvous Days”. A three day event each August.

- The community Emergency Management objective(s) that will be accomplished through participation in an IEMC Program.

Grand Portage is a small Reservation with limited resources, bordering Canada, and with only one major transportation corridor, and a very wilderness terrain. This IEMC will help bridge the possible “gaps”, when working with response capabilities form various Canadian, local and regional jurisdictions.

- Specific hazard scenario to be used in the exercises. For additional information, please visit our web site at: <http://training.fema.gov/EMICourses/crsdetail.asp?cid=E930&ctype=R>.

Possibly hazardous material tanker collision with senior tour bus in close proximity to the international border resulting in emergency medical response, fire response, possible evacuation, etc..

- Point of contact information.

**Mike Keyport
Emergency Management/Safety Director
Grand Portage Reservation
Po box 428
Grand Portage MN 55605
Ph 218-475-2129
Fax 218-475-0031
mikek@grandportage.com**

Program Area(s): Integrated Emergency Management; Professional Development-Advanced Professional Series (APS)

Delivery Location(s): NETC; Resident Offsite; Noble

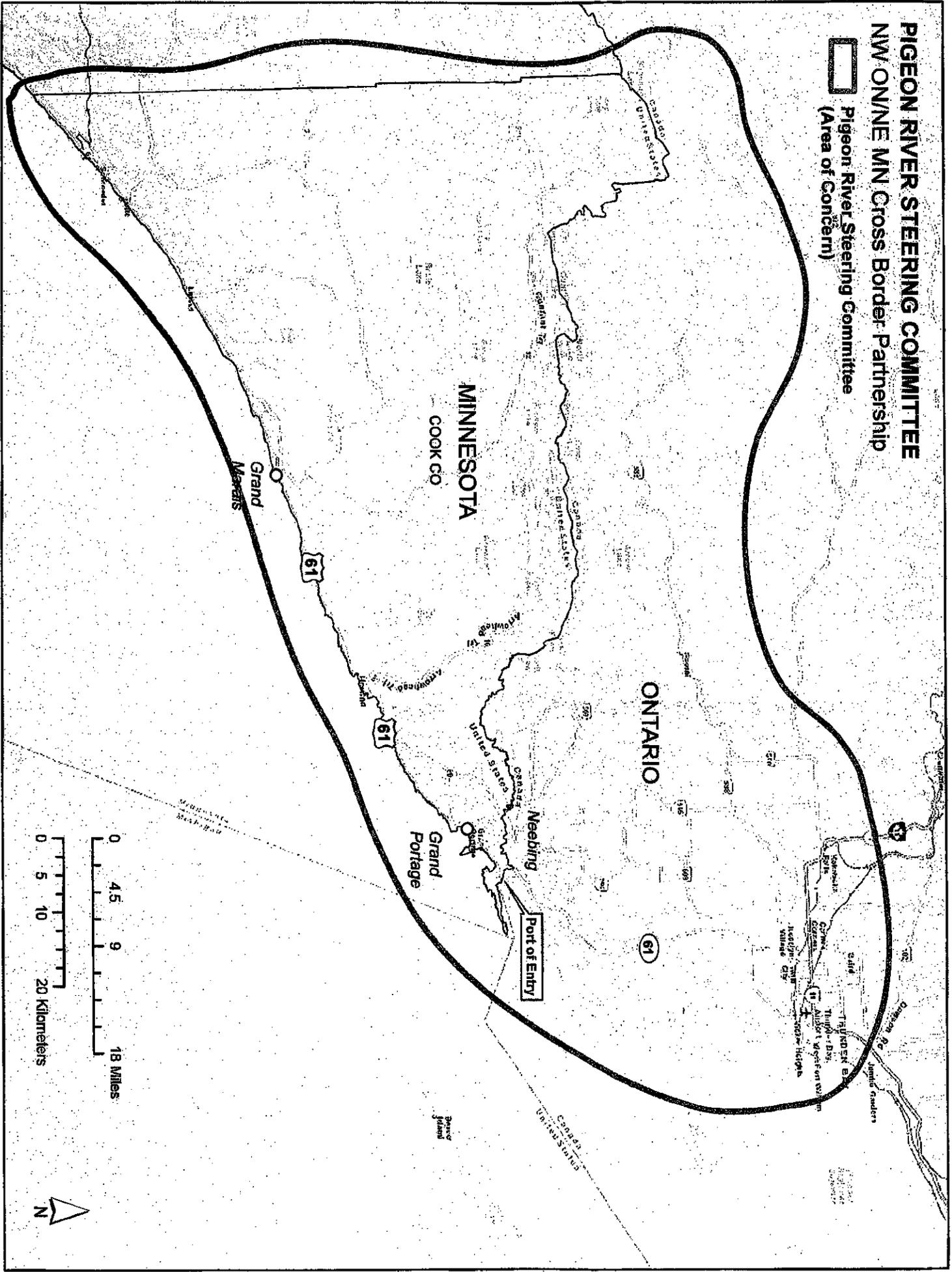
Recommended Prerequisites: IS-0100.b, *Introduction to the Incident Command System, ICS-100*; IS-0200.b, *Incident Command System for Single Resources and Initial Action Incidents*; IS-0700.a, *National Incident Management System, An Introduction*; and IS-0775, *Emergency Operations Center Management and Operations*

Course Length: 4 days

CEUs: 3.2

PIGEON RIVER STEERING COMMITTEE NW/ON/NE MN Cross Border Partnership

 Pigeon River Steering Committee
(Area of Concern)





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2014 Standard Mileage Rates

IR-2013-95, Dec. 6, 2013

WASHINGTON — The Internal Revenue Service today issued the 2014 optional standard mileage rates used to calculate the deductible costs of operating an automobile for business, charitable, medical or moving purposes.

Beginning on Jan. 1, 2014, the standard mileage rates for the use of a car (also vans, pickups or panel trucks) will be:

- 56 cents per mile for business miles driven
- 23.5 cents per mile driven for medical or moving purposes
- 14 cents per mile driven in service of charitable organizations

The business, medical, and moving expense rates decrease one-half cent from the 2013 rates. The charitable rate is based on statute.

The standard mileage rate for business is based on an annual study of the fixed and variable costs of operating an automobile. The rate for medical and moving purposes is based on the variable costs.

Taxpayers always have the option of calculating the actual costs of using their vehicle rather than using the standard mileage rates.

A taxpayer may not use the business standard mileage rate for a vehicle after using any depreciation method under the Modified Accelerated Cost Recovery System (MACRS) or after claiming a Section 179 deduction for that vehicle. In addition, the business standard mileage rate cannot be used for more than four vehicles used simultaneously.

These and other requirements for a taxpayer to use a standard mileage rate to calculate the amount of a deductible business, moving, medical, or charitable expense are in Rev. Proc. 2010-51. [Notice 2013-80](#) contains the standard mileage rates, the amount a taxpayer must use in calculating reductions to basis for depreciation taken under the business standard mileage rate, and the maximum standard automobile cost that a taxpayer may use in computing the allowance under a fixed and variable rate plan.

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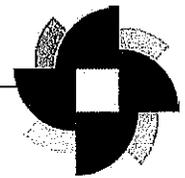
Page Last Reviewed or Updated: 06-Dec-2013

City of Grand Marais

MEMO

TO: Mayor Carlson
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: January 3, 2014
SUBJECT: District Heating Financing

The City has made a request for State Bonding assistance to help finance the proposed district heating system. An important requirement for City approval of the project is the ability to attain and afford financing. We normally work with our financial advisor, Elhers, in evaluating and arranging financing. Their services are paid for during the closing. Because we have not yet committed to any financing, I asked Bruce Kimmel with Ehlers to provide a proposal to conduct the necessary financing due diligence. His proposal is attached. Please approve the attached proposal from Ehlers.



Memo

To: Mike Roth, City of Grand Marais
From: Bruce Kimmel and Nick Anhut
Date: December 20, 2013
Subject: **Proposal to Identify and Evaluate District Heating Financing Options**

The City of Grand Marais has asked Ehlers to submit a proposal to help it identify and evaluate financing options for Grand Marais' proposed biomass district heating system. We understand the City and its Public Utility Commission (PUC) have been working with FVB Energy to develop a preliminary system plan and business model. The next step is for the City to determine whether it has the capacity to finance the system's estimated development cost, factoring in a grant to be requested in the State's 2014 Bonding Bill.

Scope of Engagement

Ehlers proposes to help the City and PUC answer five key questions in this limited-scope engagement, which is anticipated to be completed in February 2014:

1. Are there financing providers interested in funding the project as proposed?
2. What financing mechanisms are legally available to the City and PUC?
3. Which mechanisms are preferred by interested providers, and what are the estimated interest rates, terms and conditions thereof?
4. What factors (e.g. pros and cons; potential risks) should the City and PUC consider in evaluating financing options?
5. Can the City and PUC reasonably expect a successful project financing, given the proposed State grant funding?

Ehlers is prepared to begin work on this project immediately, with the understanding that any compensation will depend on the City Council's approval of our proposal at its January 8, 2014 meeting. We expect to begin contacting potential financing providers upon receiving further project information from FVB, no later than January 3.

We also anticipate regular conference calls with the City and FVB throughout our research and analysis process, and to present our findings at a joint City Council / PUC meeting to occur no later than February 26, and possibly on February 12.

Estimated Cost

We propose to invoice our work at Ehlers' standard hourly advisory rate of \$200. Based on the scope of work outlined above, we estimate a maximum hourly cost of \$10,000, with no out-of-pocket expenses to be billed in addition. Should the hourly cost threaten to exceed the \$10,000 maximum due to unforeseen complications and/or changes in the scope of work, Ehlers will obtain the City's written consent prior to incurring any additional costs. Conversely, should the engagement consume less than the 50 hours estimated, Ehlers will invoice the City only for the actual time spent on the project.

Ehlers Background

Ehlers is an independent financial advisory firm serving cities, municipal electric utilities, counties, development authorities, school districts, community hospitals, and other public entities in eight states. We have extensive expertise in helping communities fund public utility projects via a range of debt and lease financing mechanisms. In addition, we are familiar with the City and PUC, as well as Cook County and other jurisdictions in the region, through our long-standing advisory relationships with those entities.

Please contact Bruce Kimmel at (651) 697-8572 or bkimmel@ehlers-inc.com with any questions about this proposal. Ehlers welcomes the opportunity to assist the City in this next, crucial phase of feasibility analysis for the proposed district heating project.

Approved by:
City of Grand Marais, Minnesota

Approved by:
Ehlers & Associates

(Name and Title)

(Name and Title)

Upcoming Meeting Schedule

Updated January 3, 2014

JANUARY

Date/Time	Meeting	Location
Wednesday, January 8, 4:30 p.m.	City Council Meeting	Council Chambers
Wednesday, January 29, 4:30 p.m.	City Council Meeting	Council Chambers

FEBRUARY

Date/Time	Meeting	Location
Wednesday, February 12, 4:30 p.m.	City Council Meeting	Council Chambers
Wednesday, February 26, 4:30 p.m.	City Council Meeting	Council Chambers