

AGENDA  
CITY COUNCIL MEETING  
December 12, 2012  
5:30 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. Joynes Letter Re: MPCA Testing

F. Hedstrom Variance Request

G. 2013 Supervisor Salaries

H. Agreement for Auditing Services

I. Budget and Levy Public Meeting—6:00 p.m.

J. Other items as necessary

K. Council & Staff Reports

L. Attached correspondence:

1. Letter from Coastal Program re: board vacancies
2. Other Meeting Minutes
3. Upcoming Meeting Schedule

M. Adjourn

*CITY OF GRAND MARAIS  
MINUTES  
November 28, 2012*

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

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

Members absent: None

Staff present: Mike Roth, Kim Dunsmoor and Robert Scott 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. No one spoke.

**Motion by Lenz, seconded by Kennedy to approve the Agenda; November 14, 2012, Minutes; Payment of Bills and Community Business Partnership Grant Program Annual Accounting Report. Approved unanimously.**

There is a Budget Informational Meeting scheduled for 6:00 p.m. on December 12, 2012. The regularly scheduled council meeting on December 12, 2012, is rescheduled from 4:30 p.m. to 5:30 p.m. The regularly scheduled council meeting on December 26<sup>th</sup> will remain as scheduled.

Paul Coe, Security State Insurance and League of MN Cities Insurance discussed the property insurance renewal. The League of MN Cities Insurance raised their rates by 3%. The City's experience rating went from .897 to 1.99 probably due to the insurance claims for the pool roof and other storm damage. The value of the library was increased due to the building addition and increased building contents. Next year, the LMCIT will simplify the way they rate policies based on budget, number of full-time employees, sewer connections, and number of households.

**Motion by Spry, seconded by Kennedy to accept the League of MN Cities Insurance Trust renewal waiving monetary limits. Approved unanimously.**

ARDC sent a letter notifying us that Bill Lenz term is expiring in January. Lenz is not interested in being nominated. The matter was tabled until the January meeting.

The Cook County Curling Club applied for a 3.2 license. They currently have a Consumption and Display permit, but would like to sell on-sale 3.2 beer. The club has more than 50 members. The club has all their paperwork in: however, we are waiting for a determination from the Cook County Attorney for approval of the use in the Community Center.

**Motion by Lenz, seconded by Sivertson to approve the Cook County Curling Club 3.2 On-Sale Liquor License contingent upon approval from the Cook County Attorney. Approved unanimously.**

The Library custodian resigned. Staff received applications and interviewed candidates. Staff recommends hiring Dean Farnum as Library custodian.

**Motion by Kennedy, seconded by Lenz to hire Dean Farnum as Part-time Library Custodian. Approved unanimously.**

There are several board openings and opportunities for people to get involved:

- 1 EDA Board Opening
- 2 Library Board Openings
- 3 Park Board Openings
- 1 Planning Commission Openings
- 1 Public Utilities Commission Opening

Councilor Sivertson's Report:

- 1) The Library Board would like to plant Elm Trees to replace the trees that were removed during the Library expansion. They are \$25 each with a minimum of 5 trees per order. Councilor Lenz will discuss the possibility of adding elm trees in the park with the Park Board.

Councilor Kennedy's Report:

- 1) CCLEP met yesterday. There is a LCCMR presentation scheduled for December 11, 2012, regarding Biomass in general. The group will then establish priorities and action steps. Virginia Danfelt is the coordinator.
- 2) CCLEP would like the Energy Plan on the City's website.

There being no further business, the meeting adjourned at 5:10 p.m.



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## Payments

### City of Grand Marais

Current Period: November 2012

Batch Name	113012 CPAP Payments	User Dollar Amt	\$33,935.78		
		Computer Dollar Amt	\$33,935.78		
			\$0.00	In Balance	
Refer	59123 DEPT OF THE TREASURY IRS	Ck# 001935E 11/28/2012			
Cash Payment	G 101-21703 FICA Tax Withholding				\$3,345.37
Invoice	24 CPYR 12 11/30/2012				
Cash Payment	G 101-21717 Medicare				\$938.26
Invoice	24 CPYR 12 11/30/2012				
Cash Payment	G 101-21701 Federal Withholding				\$3,002.20
Invoice	24 CPYR 12 11/30/2012				
Transaction Date	11/26/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$7,285.83</b>
Refer	59124 ING	Ck# 001936E 11/26/2012			
Cash Payment	G 101-21720 MN State Retirement DeferC				\$383.50
Invoice	24 CPYR 12 11/30/2012				
Transaction Date	11/26/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$383.50</b>
Refer	59125 PERA	Ck# 001937E 11/27/2012			
Cash Payment	G 101-21704 PERA				\$4,270.86
Invoice	24 CPYR 12 11/30/2012				
Transaction Date	11/26/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$4,270.86</b>
Refer	59126 MN DEPT OF REVENUE-EFTPS	Ck# 001938E 11/26/2012			
Cash Payment	G 101-21702 State Withholding				\$1,420.83
Invoice	24 CPYR 12 11/30/2012				
Transaction Date	11/26/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$1,420.83</b>
Refer	59127 MINNESOTA LIFE				
Cash Payment	G 101-21716 MN Mutual Life				\$252.70
Invoice	0028722 11/16/2012				
Transaction Date	11/26/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$252.70</b>
Refer	59137 SUNNY HILL DISTRIBUTORS INC.				
Cash Payment	E 609-49750-333 Freight and Express				\$62.70
Invoice	276972 11/27/2012				
Cash Payment	E 609-49750-259 Other For Resale				\$21.99
Invoice	276972 11/27/2012				
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,227.36
Invoice	276972 11/27/2012				
Transaction Date	11/27/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$1,312.05</b>
Refer	59138 DEPARTMENT OF PUBLIC SAFETY				
Cash Payment	E 609-49750-439 Licenses	Grand Marais Municipal Liquor Store			\$20.00
Invoice	Buyer's Card 11/28/2012				
Transaction Date	11/28/2012	MAIN CHECKING G 10100		<b>Total</b>	<b>\$20.00</b>
Refer	59139 WIRTZ BEVERAGE MINNESOTA				
Cash Payment	E 609-49750-251 Liquor For Resale				\$4,383.35
Invoice	141119 11/27/2012				
Cash Payment	E 609-49750-259 Other For Resale				\$68.26
Invoice	141119 11/27/2012				
Cash Payment	E 609-49750-333 Freight and Express				\$94.35
Invoice	141119 11/27/2012				



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**Payments**

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Current Period: November 2012

Transaction Date	11/28/2012	MAIN CHECKING G	10100	<b>Total</b>	\$4,545.96
Refer	59140	<i>SUPERIOR BEVERAGES LLP</i>			
Cash Payment	E 609-49750-252 Beer For Resale				\$1,240.95
Invoice	416140	11/20/2012			
Cash Payment	E 609-49750-259 Other For Resale				\$17.75
Invoice	416140	11/20/2012			
Cash Payment	E 609-49750-252 Beer For Resale				\$1,562.15
Invoice	416559	11/28/2012			
Cash Payment	E 609-49750-259 Other For Resale				\$77.25
Invoice	416559	11/28/2012			

Transaction Date	11/28/2012	MAIN CHECKING G	10100	<b>Total</b>	\$2,898.10
Refer	59141	<i>ROHLFING INC.</i>			
Cash Payment	E 609-49750-252 Beer For Resale				\$5,798.90
Invoice	372714	11/20/2012			
Cash Payment	E 609-49750-259 Other For Resale				\$8.50
Invoice	372714	11/20/2012			
Cash Payment	E 609-49750-252 Beer For Resale				\$1,424.80
Invoice	372992	11/28/2012			

Transaction Date	11/28/2012	MAIN CHECKING G	10100	<b>Total</b>	\$7,232.20
Refer	59143	<i>BERNICKS</i>			
Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$19.80
Invoice	315394	11/21/2012			
Cash Payment	E 609-49750-252 Beer For Resale				\$1,695.00
Invoice	315395	11/21/2012			
Cash Payment	E 609-49750-259 Other For Resale				\$37.05
Invoice	315395	11/21/2012			
Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$24.80
Invoice	316416	11/29/2012			
Cash Payment	E 609-49750-252 Beer For Resale				\$2,500.05
Invoice	316417	11/29/2012			
Cash Payment	E 609-49750-259 Other For Resale				\$37.05
Invoice	316417	11/29/2012			

Transaction Date	11/29/2012	MAIN CHECKING G	10100	<b>Total</b>	\$4,313.75
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**Fund Summary**

10100 MAIN CHECKING GMSB

101 GENERAL FUND	\$13,613.72
609 MUNICIPAL LIQUOR FUND	\$20,322.06
	<u>\$33,935.78</u>

Pre-Written Checks	\$13,361.02
Checks to be Generated by the Computer	\$20,574.76
<b>Total</b>	<u>\$33,935.78</u>



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## Payments

### City of Grand Marais

Current Period: November 2012

Batch Name	12132012AP	User Dollar Amt	\$45,186.11
Payments		Computer Dollar Amt	\$45,186.11
			\$0.00 In Balance

Refer	59144	<u>NORTH SHORE WASTE</u>	-	
Cash Payment	E 101-45100-384	Refuse/Garbage Disposa		\$510.00
Invoice	2530	9/30/2012		
Cash Payment	E 101-45124-384	Refuse/Garbage Disposa		\$24.48
Invoice	2530	9/30/2012		
Cash Payment	E 101-45124-384	Refuse/Garbage Disposa		\$37.44
Invoice	3547	11/30/2012		
Cash Payment	E 101-45100-384	Refuse/Garbage Disposa		\$37.44
Invoice	3547	11/30/2012		
Cash Payment	E 101-41940-384	Refuse/Garbage Disposa		\$140.40
Invoice	3497	11/30/2012		
Cash Payment	E 101-41940-384	Refuse/Garbage Disposa		\$112.32
Invoice	2529	9/30/2012		
Cash Payment	E 101-43100-384	Refuse/Garbage Disposa		\$215.28
Invoice	3498	11/30/2012		

Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$1,077.36
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Refer	59145	<u>PUBLIC UTILITIES COMMISSION1</u>	-	
Cash Payment	E 101-41940-380	Utility Services (GENER		\$1,529.00
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-43100-380	Utility Services (GENER		\$27.47
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-45100-380	Utility Services (GENER		\$1,449.03
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-43100-381	Street Light Utilities		\$2,149.77
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-42700-380	Utility Services (GENER		\$101.44
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-42200-382	Fire Hydrant Utilities		\$1,103.70
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-45189-380	Utility Services (GENER		\$27.40
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 211-45500-380	Utility Services (GENER		\$574.69
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-45124-380	Utility Services (GENER		\$2,297.01
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-45184-380	Utility Services (GENER		\$121.11
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 101-42200-380	Utility Services (GENER		\$131.09
Invoice	NOVEMBER 201	12/4/2012		

Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$9,511.71
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Refer	59146	<u>BUCK S HARDWARE HANK</u>	-	
Cash Payment	E 101-41400-210	Operating Supplies (GE		\$8.73
Invoice	NOVEMBER 201	12/4/2012		
Cash Payment	E 609-49750-210	Operating Supplies (GE		\$12.18
Invoice	NOVEMBER 201	12/4/2012		



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Payments

Current Period: November 2012

Cash Payment	E 101-45100-220 Repair/Maint Supply (GE			\$277.06
Invoice	NOVEMBER 201 12/4/2012			
Cash Payment	E 101-45124-220 Repair/Maint Supply (GE			\$9.70
Invoice	NOVEMBER 201 12/4/2012			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE			\$51.84
Invoice	NOVEMBER 201 12/4/2012			
Cash Payment	E 101-41940-210 Operating Supplies (GE			\$12.29
Invoice	NOVEMBER 201 12/4/2012			
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b> \$371.80
Refer	59147 JOHNSON S FOODS			
Cash Payment	E 609-49750-259 Other For Resale			\$89.36
Invoice	3871848 11/16/2012			
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b> \$89.36
Refer	59148 BUSINESS FORMS & ACCOUNTIN			
Cash Payment	E 101-41400-200 Office Supplies (GENER			\$190.05
Invoice	46633 11/29/2012			
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b> \$190.05
Refer	59149 BLUE CROSS/BLUE SHIELD OF M			
Cash Payment	G 101-21706 Health Insurance			\$573.00
Invoice	CI926-V1 6 11/28/2012			
Cash Payment	G 101-21706 Health Insurance			\$13,525.00
Invoice	CI926-V0 8 11/28/2012			
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b> \$14,098.00
Refer	59150 SUPERIOR LUMBER & SPORTS			
Cash Payment	E 101-41940-220 Repair/Maint Supply (GE			\$49.15
Invoice	189802 11/16/2012			
Cash Payment	E 613-45125-211 Operating Supplies			\$20.98
Invoice	189201 10/29/2012			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE			\$92.61
Invoice	189482 11/6/2012			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE			\$52.43
Invoice	189278 10/31/2012			
Cash Payment	E 101-45100-580 Capital Outlay (Equipme			\$375.73
Invoice	189716 11/13/2012			
Cash Payment	E 101-45100-580 Capital Outlay (Equipme			\$125.24
Invoice	189618 11/9/2012			
Cash Payment	E 101-45100-580 Capital Outlay (Equipme			\$34.16
Invoice	189808 11/16/2012			
Cash Payment	E 101-45100-580 Capital Outlay (Equipme			\$22.78
Invoice	189611 11/9/2012			
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b> \$773.08
Refer	59151 STEVE S SPORTS AND AUTO			
Cash Payment	E 613-45125-211 Operating Supplies			\$26.77
Invoice	223667 11/8/2012			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE			\$5.71
Invoice	223531 11/1/2012			
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b> \$32.48



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Payments

Current Period: November 2012

Refer	59152	<u>GRAND MARAIS AUTO PARTS, INC</u>	-				
Cash Payment	E 101-43100-220	Repair/Maint Supply (GE				\$207.69	
Invoice	618670	11/13/2012					
Cash Payment	E 101-45100-220	Repair/Maint Supply (GE				\$21.33	
Invoice	618157	11/2/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$229.02	
Refer	59153	<u>DALCO</u>	-				
Cash Payment	E 101-41940-210	Operating Supplies (GE				\$205.26	
Invoice	2536252	11/15/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$205.26	
Refer	59154	<u>COMO OIL &amp; PROPANE</u>	-				
Cash Payment	E 101-41940-217	Heating Fuel				\$702.14	
Invoice	721399	11/20/2012					
Cash Payment	E 101-45124-217	Heating Fuel				\$1,418.00	
Invoice	721385	11/19/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$2,120.14	
Refer	59155	<u>PERRIN MOBILE MEDICAL</u>	-				
Cash Payment	E 101-43100-430	Miscellaneous (GENERA				\$135.00	
Invoice	3907	11/17/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$135.00	
Refer	59156	<u>QUILL CORPORATION</u>	-				
Cash Payment	E 101-41400-210	Operating Supplies (GE				\$95.69	
Invoice	7515157	11/28/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$95.69	
Refer	59157	<u>BUCK S RADIO SHACK</u>	-				
Cash Payment	E 211-45500-200	Office Supplies (GENER				\$32.34	
Invoice	10137846	8/27/2012					
Cash Payment	E 211-45500-200	Office Supplies (GENER				\$21.55	
Invoice	10138375	9/7/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$53.89	
Refer	59158	<u>COUNTY PLUMBING &amp; HEATING</u>	-				
Cash Payment	E 211-45500-220	Repair/Maint Supply (GE				\$155.04	
Invoice	8316	11/14/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$155.04	
Refer	59159	<u>RICOH USA, INC.</u>	-				
Cash Payment	E 211-45500-310	Service Agreements				\$246.09	
Invoice	5024276463	11/19/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$246.09	
Refer	59160	<u>G&amp;K SERVICES</u>	-				
Cash Payment	E 211-45500-310	Service Agreements				\$84.74	
Invoice	1229214705	11/6/2012					
Transaction Date	12/4/2012	MAIN CHECKING G	10100	Total		\$84.74	
Refer	59161	<u>COOK COUNTY NEWS HERALD</u>	-				
Cash Payment	E 211-45500-340	Advertising				\$73.00	
Invoice	OCTOBER 2012	10/31/2012					



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Payments

Current Period: November 2012

Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$73.00
Refer	59162	<u>VEGETARIAN TIMES</u>			
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$23.95
Invoice	SUB.RENEWAL 12/4/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$23.95
Refer	59163	<u>BACKWOODS HOME MAGAZINAE</u>			
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$24.95
Invoice	SUB RENEWAL 12/4/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$24.95
Refer	59164	<u>ARROWHEAD LIBRARY SYSTEM</u>			
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$38.90
Invoice	00012959 10/31/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$38.90
Refer	59165	<u>THE NEW YORK TIMES</u>			
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$106.60
Invoice	878672104 10/28/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$106.60
Refer	59166	<u>BAKER &amp; TAYLOR</u>			
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$630.22
Invoice	2027552913 11/5/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$127.82
Invoice	2027585606 11/13/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$140.74
Invoice	2027622442 11/26/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$69.44
Invoice	M01606740 11/9/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$31.10
Invoice	M01841340 11/13/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$46.09
Invoice	M01605940 11/9/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$26.23
Invoice	M01108800 11/6/2012				
Cash Payment	E 211-45500-435 Books, Periodicals, AV				\$126.64
Invoice	M01108810 11/6/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$1,198.28
Refer	59167	<u>DEMCO, INC</u>			
Cash Payment	E 215-45500-580 Capital Outlay (Equipme				\$770.17
Invoice	4798962 11/13/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$770.17
Refer	59168	<u>CDW GOVERNMENT, INC.</u>			
Cash Payment	E 215-45500-580 Capital Outlay (Equipme				\$437.92
Invoice	S671840 10/31/2012				
Cash Payment	E 215-45500-580 Capital Outlay (Equipme				\$317.91
Invoice	T095144 11/12/2012				
Transaction Date	12/4/2012	MAIN CHECKING G	10100	<b>Total</b>	\$755.83
Refer	59169	<u>WALLNER, JAMES</u>			



City of Grand Marais

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Payments

Current Period: November 2012

Cash Payment	E 101-45100-300 Professional Svcs (GENE)				\$100.00
Invoice	BEAVER	12/5/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$100.00
Refer	59170 SELL HARDWARE, INC.				
Cash Payment	E 101-45124-210 Operating Supplies (GE)				\$135.09
Invoice	2076228-IN	11/5/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$135.09
Refer	59171 XEROX CORPORATION				
Cash Payment	E 101-45100-200 Office Supplies (GENER)				\$73.95
Invoice	065173894	12/1/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$73.95
Refer	59172 GRAINGER				
Cash Payment	E 101-45189-210 Operating Supplies (GE)				\$43.20
Invoice	9001067165	11/19/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$43.20
Refer	59173 NORTHERN WILDS				
Cash Payment	E 101-45100-340 Advertising				\$81.00
Invoice	9990	12/1/2012			
Cash Payment	E 101-45124-340 Advertising				\$138.00
Invoice	9990	12/1/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$219.00
Refer	59174 FLEET ONE LLC				
Cash Payment	E 101-45100-212 Motor Fuels				\$9.27
Invoice	4452920015	11/30/2012			
Cash Payment	E 101-45100-212 Motor Fuels				\$75.61
Invoice	4452890015	11/30/2012			
Cash Payment	E 101-43100-212 Motor Fuels				\$413.32
Invoice	4452910015	11/30/2012			
Cash Payment	E 101-43100-212 Motor Fuels				\$32.46
Invoice	4452920015	11/30/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$530.66
Refer	59175 VANCO SERVICES				
		Ck# 001945E 12/5/2012			
Cash Payment	E 101-45124-210 Operating Supplies (GE)				\$5.25
Invoice	00005297905	12/3/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$5.25
Refer	59176 AMERICAN RED CROSS 1				
Cash Payment	E 101-45124-210 Operating Supplies (GE)				\$212.00
Invoice	10097826	6/15/2012			
Cash Payment	E 101-45124-210 Operating Supplies (GE)				\$245.00
Invoice	10094462	6/13/2012			
Transaction Date	12/5/2012	MAIN CHECKING G	10100	<b>Total</b>	\$457.00
Refer	59177 GRAND MARAIS SUPERAMERICA				
Cash Payment	E 101-42200-212 Motor Fuels				\$33.99
Invoice	1849	12/1/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$33.99
Refer	59178 METRO FIRE				



City of Grand Marais

GRAND MARAIS, MN

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Payments

Current Period: November 2012

Cash Payment	E 101-42200-221 Equipment Parts/Building				\$716.58
Invoice	45618	11/7/2012			
Cash Payment	E 101-42200-221 Equipment Parts/Building				\$211.57
Invoice	45649	11/8/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$928.15
Refer	59179	<u>MINNESOTA AMBULANCE ASSOCI</u>			
Cash Payment	E 101-42270-210 Operating Supplies (GE				\$75.00
Invoice	2012 MAA DUES	12/1/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$75.00
Refer	59180	<u>NINAWORKS!</u>			
Cash Payment	E 101-45100-340 Advertising				\$185.00
Invoice	130420	12/5/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$185.00
Refer	59181	<u>SMALL ENGINE SALES &amp; SERVICE</u>			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE				\$5.95
Invoice	2662	10/31/2012			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE				\$222.95
Invoice	2635	10/31/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$228.90
Refer	59182	<u>COOK COUNTY NEWS HERALD</u>			
Cash Payment	E 101-45124-340 Advertising				\$32.00
Invoice	NOV. 2012	11/30/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$32.00
Refer	59183	<u>SAWTOOTH LUMBER</u>			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE				\$41.14
Invoice	37684/1	11/19/2012			
Transaction Date	12/6/2012	MAIN CHECKING G	10100	<b>Total</b>	\$41.14
Refer	59184	<u>JOHNSON BROTHER LIQUOR</u>			
Cash Payment	E 609-49750-251 Liquor For Resale				\$3,988.16
Invoice	1450066	12/5/2012			
Cash Payment	E 609-49750-259 Other For Resale				\$75.80
Invoice	1450066	12/5/2012			
Cash Payment	E 609-49750-333 Freight and Express				\$127.22
Invoice	1450066	12/5/2012			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$166.99
Invoice	555918	11/16/2012			
Transaction Date	12/7/2012	MAIN CHECKING G	10100	<b>Total</b>	\$4,024.19
Refer	59185	<u>PHILLIPS WINE &amp; SPIRITS</u>			
Cash Payment	E 609-49750-251 Liquor For Resale				\$4,747.12
Invoice	2344018	12/5/2012			
Cash Payment	E 609-49750-333 Freight and Express				\$134.51
Invoice	2344018	12/5/2012			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$40.00
Invoice	3494709	11/21/2012			
Transaction Date	12/7/2012	MAIN CHECKING G	10100	<b>Total</b>	\$4,841.63
Refer	59186	<u>WINE MERCHANTS</u>			



City of Grand Marais

GRAND MARAIS, MN

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Payments

Current Period: November 2012

Cash Payment	E 609-49750-251 Liquor For Resale			\$80.00
Invoice	434725	12/5/2012		
Cash Payment	E 609-49750-333 Freight and Express			\$2.57
Invoice	434725	12/5/2012		
Transaction Date	12/7/2012	MAIN CHECKING G	10100	<b>Total</b> \$82.57

Refer 59187 LHB ENGINEERS & ARCHITECTS

Cash Payment	E 101-45100-522 Capital Outlay (Construct			\$484.00
Invoice	120498.00-2	11/16/2012		
Cash Payment	E 101-43100-303 Engineering Fees			\$205.00
Invoice	120502.00-2	11/16/2012		
Transaction Date	12/7/2012	MAIN CHECKING G	10100	<b>Total</b> \$689.00

Fund Summary

10100 MAIN CHECKING GMSB

101 GENERAL FUND	\$31,982.30
211 LIBRARY	\$2,580.13
215 LIBRARY RESTRICTED FUND	\$1,526.00
609 MUNICIPAL LIQUOR FUND	\$9,049.93
613 GOLF COURSE	\$47.75
	<hr/>
	\$45,186.11

Pre-Written Checks	\$5.25
Checks to be Generated by the Computer	\$45,180.86
<b>Total</b>	<hr/> <b>\$45,186.11</b>

December 5, 2012

Grand Marais City Councilors  
P.O. Box 600  
Grand Marais, MN 55604

Dear City Council Members,

We are the owners of the Ben Franklin property (105 W. Wisconsin St), the Old Hotel property (9 W. 1<sup>st</sup> Ave), and the Parking Lot property (21 W. Wisconsin St) in Grand Marais.

In a letter dated November 21, 2012, the Minnesota Pollution Control Agency (MPCA) asked us to sign an Access Agreement, granting authorization to drill an environmental monitoring well on our Parking Lot property.

The letter suggests the MPCA is investigating and/or taking corrective action in response to a release of petroleum from tanks located at 116 West Highway 61 in Grand Marais, formerly known as Wally's Service. We discussed the letter with other business owners and were informed this has been going on for many years, possibly more than 20. There seems to be no scheduled end in sight and there are many monitoring wells in the downtown area. It was also suggested that samples are being taken but nobody seems to know whether problem levels have been identified. If we reach problem levels there has been no indication of what the remediation would look like and where liability would fall.

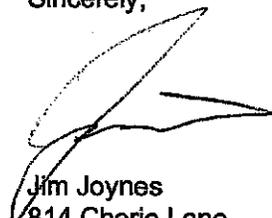
We support testing our environment; we support identifying problems and implementing solutions. If these wells are moving us closer to a resolution of an identified problem, that's great. If not, we question the necessity of the wells. Explaining to a potential buyer that our property has an environmental testing well on it creates suspicion; it also detracts from the property's value.

We write this letter with the hopes that we are the only ones in the dark about what the MPCA is doing downtown. As you can imagine, the MPCA request generates many concerns and questions for us.

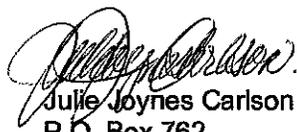
Please share with us the city's position on the MPCA drilling and testing in downtown Grand Marais. Is the city being updated on the results and timeframe of the MPCA's study? Where can we find results and updates on their progress? Was contaminated soil found in downtown Grand Marais during the recent street restoration project, what was the role of the MPCA in that project, what were their findings, and were any actions implemented due to these findings? If the City is working with the MPCA regarding these test wells, would the City consider placing the wells on public property rather than burdening the private landowners; specifically, placing the well proposed for our parking lot on the city sidewalk?

We appreciate your attention to this matter.

Sincerely,



Jim Joynes  
814 Cherie Lane  
Duluth, MN 55803



Julie Joynes Carlson  
P.O. Box 762  
Grand Marais, MN 55604



PROFESSIONAL SERVICES

TRANSPORTATION • MUNICIPAL  
DEVELOPMENT • ENVIRONMENTAL

November 21, 2012

Julie Carlson  
P.O. Box 762  
Grand Marais, MN 55604

Re: Access Agreement Request with Minnesota Pollution Control Agency  
Former Wally's Spur, Highway 61, Grand Marais, MN, MPCA Leak #4081

Dear Ms. Carlson:

Thank you for taking the time to talk with me today regarding the installation of a monitoring well on your property in Grand Marais. As we discussed, MSA Professional Services, Inc. (MSA) is working with the Minnesota Pollution Control Agency (MPCA) to perform site investigation activities related to the petroleum release at the Former Wally's Spur on Highway 61. This correspondence and attached Access Agreement serves as a request to install one monitoring well in the location shown on the attached figure.

The monitoring well will be installed using a drill rig and the final construction will consist of a two-inch PVC well surrounded by a steel protective casing to protect it from potential damage. We have included a photograph that illustrates a typical well construction and this would be similar to the well constructed on your property. The attached agreement outlines the MPCA's responsibilities for the maintenance and abandonment of the well.

Please review, sign and return the enclosed MPCA Access Agreement to MSA using the enclosed envelope. We would like to begin this work in December or January and are requesting you return the signed access agreement on or before **December 14, 2012**.

If you or James have any questions or comments, please call me at (218) 722-3915 or you may contact the MPCA Project Manager, Gary Zarling at (651) 297-2343.

Sincerely,  
MSA Professional Services, Inc.

Darin Albrecht  
Environmental Specialist

DRA:bjh:amr

Enclosures: Access Permission Form  
Proposed Boring and Well Photos

cc: James Joynes, 814 Cherie Lane, Duluth, MN 55803  
Gary Zarling, MPCA Project Manager, St. Paul, MN

**Offices in Illinois, Iowa, Minnesota, and Wisconsin**

301 WEST FIRST STREET, SUITE 408 • DULUTH, MINNESOTA 55802

218.722.3915 • 1.800.777.7380 • FAX: 218.722.4548

www.msa-ps.com



**Minnesota Pollution  
Control Agency**

520 Lafayette Road North  
St. Paul, MN 55155-4194

# Access Agreement

**Between Minnesota Pollution Control Agency  
and Julie Carlson & James Joynes**  
Petroleum Remediation Program/Superfund Program

*Doc Type: Access Agreement*

## Background

The Minnesota Pollution Control Agency (MPCA) is investigating, and/or taking corrective action in response to a release of petroleum from a tank(s) owned by **Walter Schute** located at **116 West Highway 61, Grand Marais, MN (LEAK #4081)** formerly known as **Wally's Service** (the "Property"): As part of this investigation, it is necessary to perform work on your property located at **21 West Wisconsin, Grand Marais, MN (the "Property")**. The MPCA is authorized to take these actions under Minn. Stat. § 115C.03, subd. 2 and 3. The MPCA is authorized to enter upon public or private property to take such actions under Minn. Stat. § 115C.03, subd. 7(2).

## Agreement

1. **Parties.** The Parties to this Agreement are:
  - A. Minnesota Pollution Control Agency (MPCA); and
  - B. **Julie Carlson & James Joynes** (the "Property Owners").
2. **Access.** The Property Owner hereby consents and provides authorization to the MPCA, its employees, agents, and contractors to enter the Property for the following purposes:
  - A. Investigating and/or taking such corrective action as the MPCA deems necessary to remediate soil and groundwater contamination at the Property in response to a release of petroleum from a tank(s) located at **116 West Highway 61, Grand Marais, MN (LEAK #4081)**.
3. **MPCA obligations.** The MPCA will notify the Property Owner at least 48 hours before entering the Property. Work will be conducted during the hours of 8:00 a.m. to 5:00 p.m. unless the MPCA receives permission to conduct work during different hours.
4. **MPCA and Property Owner precautions regarding work.**
  - A. The MPCA will conduct its activities so as to avoid unreasonable interference with the use of the Property. If any portion of the Property must be disturbed as a result of MPCA's activities, the MPCA will restore the property as close to its original condition as is reasonably possible under the circumstances.
  - B. The Property Owner will take reasonable precautions to ensure that the equipment of MPCA and its contractors on the property is not damaged, and that the work being conducted by MPCA, its employees, agents and contractors is not disrupted.
5. **Permits and well sealing.** The MPCA will obtain all necessary permits for installation and maintenance of any borings, monitoring wells, remediation wells, and/or water wells installed by MPCA or its contractors. Upon completion of all necessary sampling or remediation, the MPCA will seal the borings, monitoring wells, remediation wells and/or water wells in accordance with state law.
6. **Notification.** Unless otherwise specified, written requests or other documents sent to the Property Owner shall be addressed to:

**Julie Carlson**  
P.O. Box  
Grand Marais, MN 55604

**James Joynes**  
814 Cherie Lane  
Duluth, MN 55803

All reports or other documents sent to the MPCA shall be addressed to:

**Gary Zarling**  
Minnesota Pollution Control Agency  
520 Lafayette Road North  
St. Paul, MN 55155

**MPCA Liability.** The MPCA shall be liable for injury to or loss of property, or personal injury or death, caused by an act or omission of any employee of the State in the performance of the work described above, under the circumstances where the State, if a private person, would be liable to the claimant, in accordance with Minn. Stat. § 3.736.

7. **Effective Date.** This Agreement shall be effective upon the date it is signed by the MPCA. *The Access Agreement shall be effective upon the date that the final required signatures are obtained by the MPCA. The MPCA shall not commence any activities until the MPCA has received a fully executed copy of the Access Agreement. The authorization to perform work pursuant to this Access Agreement shall remain in effect for a three-year period from the date of full execution, and may only be extended upon written request from the MPCA.*

## Certification

*By their signatures below, the undersigned represent that they have authority to bind the parties they represent, their agents, successors, and assigns.*

### Minnesota Pollution Control Agency

### Property Owner

Print name: \_\_\_\_\_

Print name: \_\_\_\_\_

Title: \_\_\_\_\_

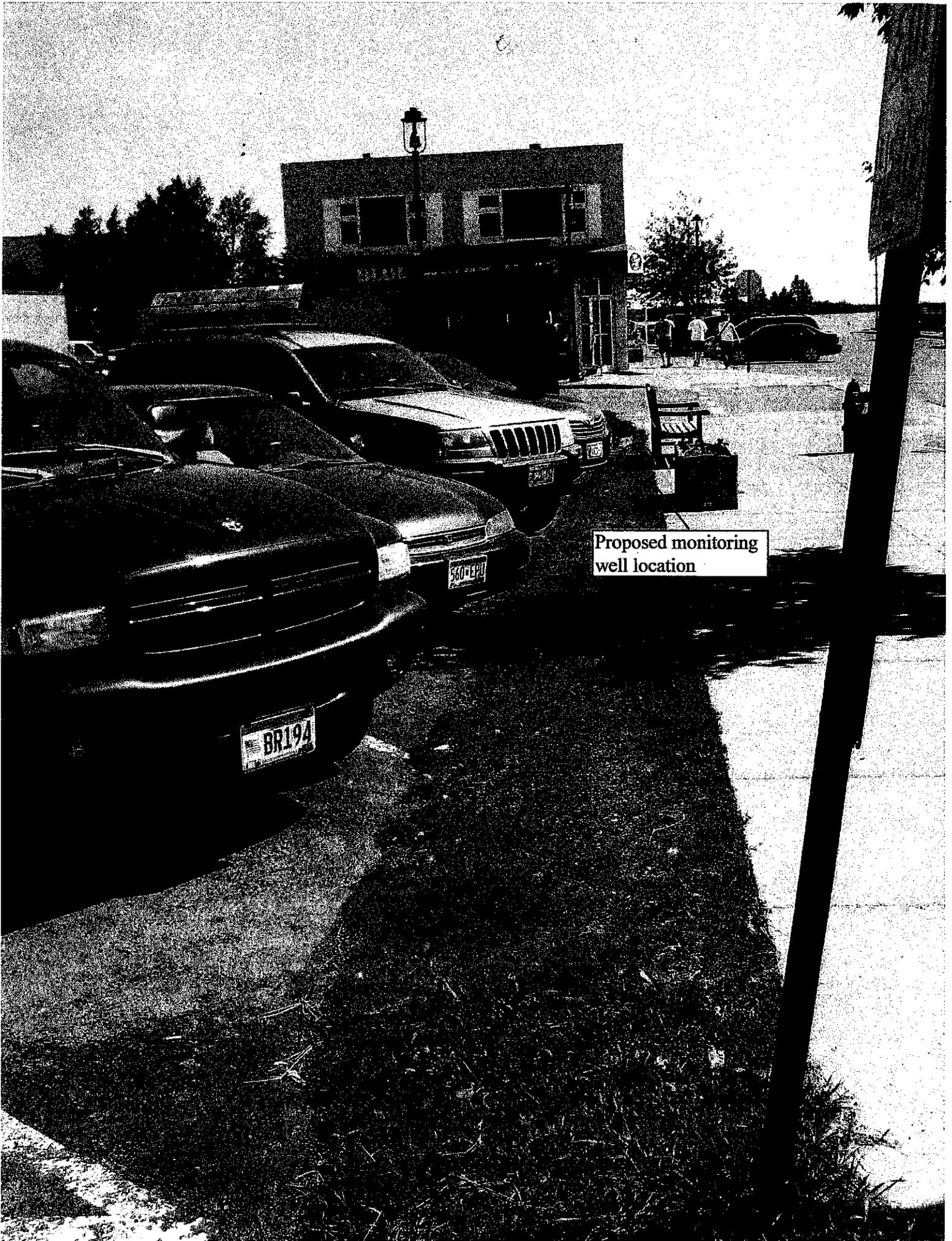
Print name: \_\_\_\_\_

Signature: \_\_\_\_\_

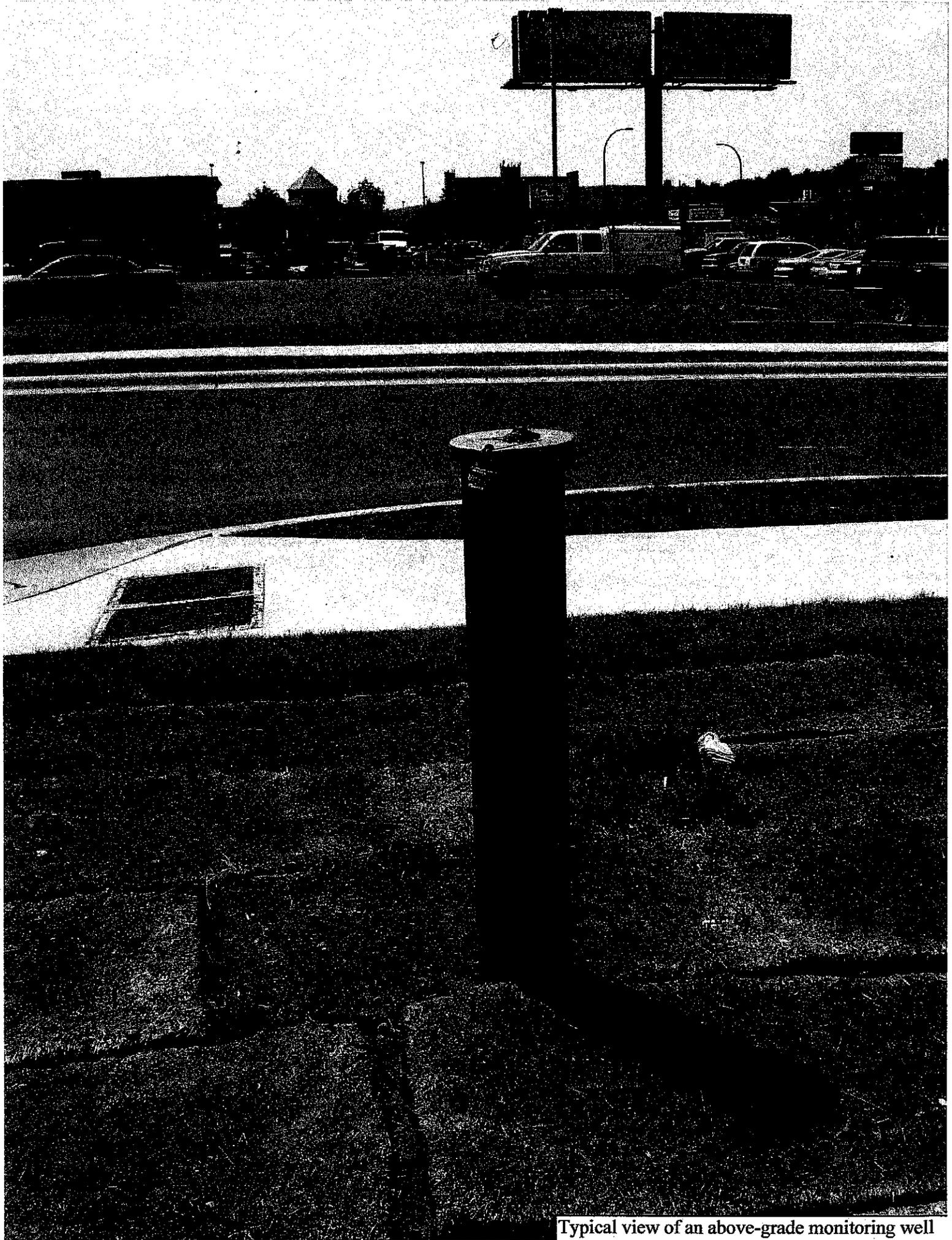
Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_



Proposed monitoring well location



Typical view of an above-grade monitoring well

# City of Grand Marais

## MEMO

TO: Mayor Carlson  
City Council  
FROM: Michael J Roth, City Administrator  
DATE: December 7, 2012  
SUBJECT: Jeanne Hedstrom Variance Request

---

**Request:** Jeanne Hedstrom is requesting a variance from the front yard setback requirements to construct an enclosed entry 8' within the required 25' setback on her property zoned R-1.

**Location of Property:** The property is legally described as all of Block 11, Bramer Addition. 817 W 1<sup>st</sup> Street.

**Condition of Property:** This lot has an existing single-family home. The surrounding area is exclusively single-family residential.

### **Public Hearing**

A public hearing was held December 5, 2012. Commissioners Beckwith, Bolstad, Greenwood, and Kennedy were present. No members of the public attended. One letter of support from a neighbor was received.

### **Commission Discussion and Findings:**

The commission discussed the factors for variance consideration and adopted the following findings:

1. **The variance is in harmony with the purpose and intent of the ordinance.**  
The entry is a typical residential use in harmony with creating a healthy, safe, attractive environment.
2. **The variance is consistent with the comprehensive plan.**  
Granting the variance is consistent with respecting the needs of residents and with improving existing property before expanding developed area.

3. The proposal seeks to use the property in a reasonable manner not permitted by the zoning ordinance.  
The entry is in scale with the existing house and with nearby development.
4. The plight of the landowner is due to circumstances unique to the property not created by the landowner.  
The lack of the proposed entry creates an ambiguous entrance to the house and seems like an oversight.
5. The variance, if granted, will not alter the essential character of the locality.  
The entry will be consistent with houses constructed along 1<sup>st</sup> Street, generally built close to the setback.

The commission recommended approving the variance request by a 4-0 vote.

**Relevant Zoning Purpose Statement:**

**19.04 R-1 PERMANENT RESIDENCE DISTRICT**

**Subdivision 1. Purpose**

The R-1 Permanent Residence District is intended to provide a healthy, safe and attractive residential environment, protect property values and the environment and provide a mix of residential options, both seasonal and year around.

**Relevant Comprehensive Plan Section:**

**GOALS AND POLICIES**

**Goal**

To create a framework for public and private decision making affecting the City of Grand Marais that:

1. Protects and enhances the natural resources of Grand Marais.
2. Provide economic opportunity for residents.
3. Respect the needs and desires of residents.
4. Provide for a full mix of land uses without adverse impact.
5. Recognizes the recreational and aesthetic value of the area to residents and visitors.
6. Ensures consistency of actions.

**RESIDENTIAL AREAS**

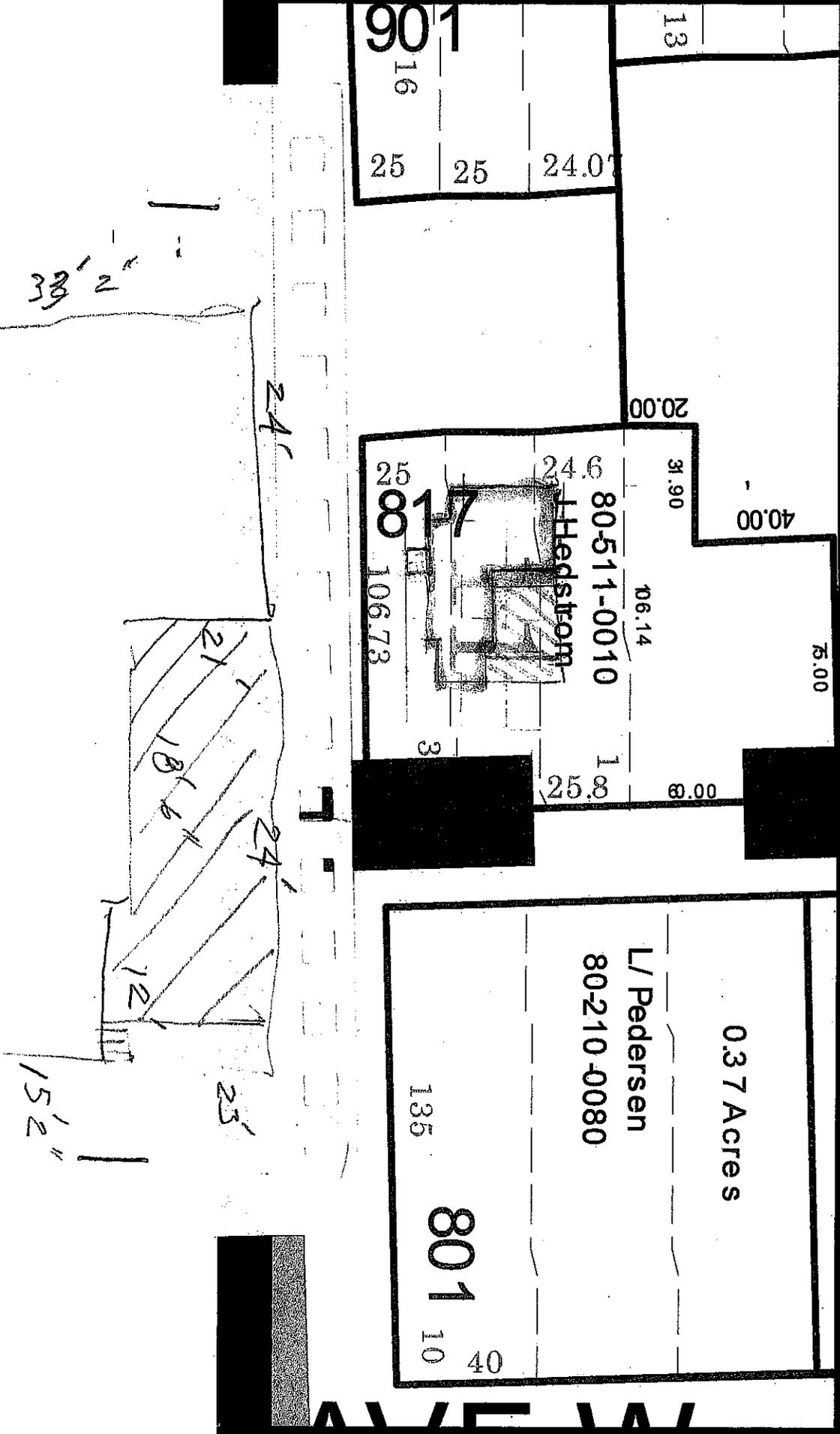
**Goals**

1. To provide a healthy, safe and attractive residential environment.
2. To protect property values and the natural environment through the harmonious relationship of land use, highways and natural features.
3. To provide a mix of residential options both seasonal and year round, and for all income levels.

**Policies**

1. Develop low income housing.
2. Develop more senior citizen housing.
3. Develop affordable housing to draw young families to the area.
4. Develop high value summer or retirement or permanent housing with excellent view (possibly on Ski Hill).
5. Develop affordable housing for summer help (possibly a complex).

6. Diversify neighborhoods with the development of neighborhood pocket parks.
7. Require off street parking for all new homes and Bed and Breakfast homes.
8. Require mobile homes to be located in mobile home parks.
9. Sensitive orientation, spacing, placement and appearance of all new structures will be encouraged to seek compatibility with natural topography and vegetation.
10. Low intensity residential and recreational uses are preferred.
11. Multiple dwelling housing should be concentrated in a separate zone district on the eastern side of the city.
12. Roads, utilities and public services should be available and adequate to serve existing needs and to accommodate future development.
13. Low income and senior citizen multiple family developments should be encouraged to be located close to downtown service area.
14. Infill of existing residential areas should be encouraged before expansion of new residential areas.



901  
16  
25 25 24.0

13

33' 2"

24'

20.00

25  
80  
106.73

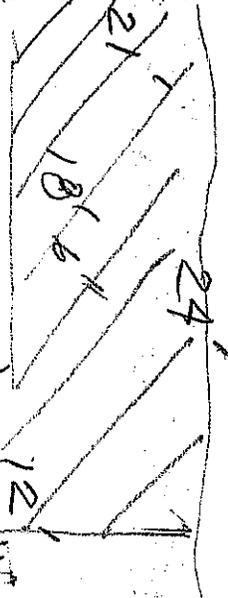
24.6  
Hedstrom  
80-511-0010

31.90

40.00

06.14

75.00



18' 6"

24'

12'

23'

15' 2"

25.8

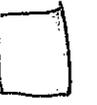
00.00

0.37 Acres  
L/ Pedersen  
80-210-0080  
135  
801  
10  
40

existing house



Proposed  
enlarged front  
porch





# City of Grand Marais

## Application for Variance

Name of Applicant:	Jeanne Hedstrom
Mailing Address:	70 Wooster St. 3R NY NY 10012
Property Address:	817 West 1st St. Grand Marais 55604
Legal Description:	

Applicant is:  Owner  Buyer  Agent  Other (explain)

Current use of property:	Seasonal residence
Intended use of property:	same
Use and Character of surrounding property:	residential
Section of Ordinance from which variance is requested:	
Brief summary of why a variance is required: <small>(For setback variances attach a site map prepared by a qualified plat mapper or surveyor)</small>	an enclosed entryway will be nearer the property line than the existing stoop.
<p>A variance may be granted where the strict enforcement of the City zoning controls will result in practical difficulties, determined by each of the following five criteria. Summarize the facts as to your property in regards to each of the five factors, using additional sheets as necessary.</p>	
<p>1. Facts showing the variance is in harmony with the purpose and intent of the ordinance:</p> <p>The proposed enclosed entryway will be more in keeping with the character of the existing house than the present out-of-scale design. The proposed enclosure will use materials consistent with the existing structure as well as other residences in the surrounding area.</p>	
<p>2. Facts showing the variance is consistent with the comprehensive plan:</p> <p>The only proposed addition is for the afore described front entryway; no larger more comprehensive plan is proposed.</p>	

3. Facts showing the proposal seeks to use the property in a reasonable manner not permitted by the zoning ordinance:

In order to gain a modest enclosed entryway the distance from the property line will be made marginally less than is permitted by the zoning ordinance.

4. Facts showing the plight of the landowner is due to circumstances unique to the property and not created by the landowner:

The original and successive construction of 817 W. 1st St. did not anticipate the need for an enclosed front entryway. This appears to be an oversight even if the predicament is not entirely unique. No sidewalk extends to the property, and this fact combined with the omission of an entryway makes egress to the house ambiguous. The property will be made more attractive, more practical and generally more functional when a proper entrance is added.

5. Facts showing the variance, if granted, will not alter the essential character of the locality:

As stated in number (1) the proposal is intended to be in greater harmony with the overall property than is currently the case. ~~The~~ What currently exists as a front entry is out-of-scale with the house and is peculiar looking.

Dated: 11/13/2012	Applicant(s) signature(s): <i>Jayne Robinson</i>
	_____ Owner (if other than applicant) _____ Owner (if other than applicant)

*This application will be processed only if it is fully completed and is accompanied by a site sketch and the proper fees.*

(Do Not Write Below This Line)

This foregoing variance request application, accompanied by a fee of \$ \_\_\_\_\_, was received and determined to be complete this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

On Behalf of the City of Grand Marais



**CITY OF GRAND MARAIS  
LAND USE PERMIT APPLICATION**

Application Number: \_\_\_\_\_

**A. GENERAL INFORMATION**

Owner(s) Name(s): (Last, First, M.I.) Hedstrom, Jeanne M Building Contractor's Name and License Number: \_\_\_\_\_  
 Mailing Address: 70 Wooster St. 3R Street Address of Subject Property: \_\_\_\_\_  
 Daytime Telephone Number: NY 100 Evening Telephone Number: 2 Access to property: same

(212) 966 6483 (347) 891-0510

**B. PROPERTY DESCRIPTION**

LEGAL DESCRIPTION: Lot(s) \_\_\_\_\_; Block \_\_\_\_\_; Plat Name: \_\_\_\_\_  
 OR: 817 West 1st street GM, MN  
 In Government Lot \_\_\_\_\_ or \_\_\_\_\_ 1/4 of \_\_\_\_\_ 1/4; Section: \_\_\_\_\_; Township: \_\_\_\_\_; Range: \_\_\_\_\_ east(west) of the 4th P.M.  
 Zone District: \_\_\_\_\_ Highway / Road / Street: \_\_\_\_\_  
 Parcel Identification Number: 80 511 0010 (see attached)

**C. PROJECT INFORMATION**

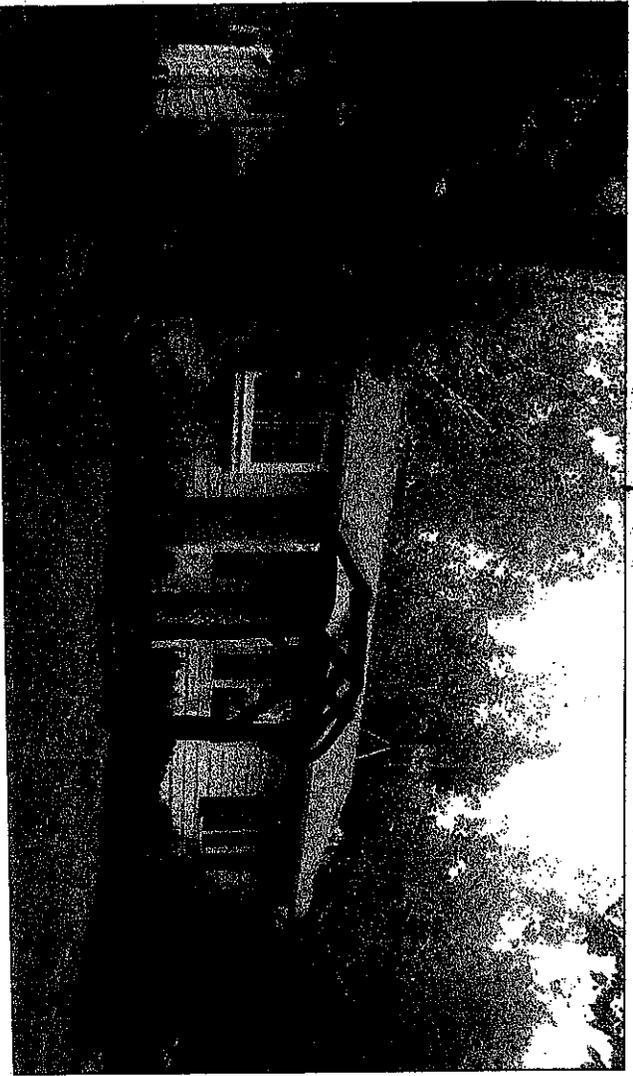
<p><b>1. Type of Project</b></p> <p>A. <input type="checkbox"/> New Building          B. <input checked="" type="checkbox"/> Addition          C. <input type="checkbox"/> Relocation          D. <input type="checkbox"/> Foundation Only          E. <input type="checkbox"/> Fence          F. <input type="checkbox"/> Other (specify)  <u>enclosed front entryway</u></p>	<p><b>2. Proposed Use:</b></p> <p>A. <input checked="" type="checkbox"/> Single Family          B. <input type="checkbox"/> Multiple Family          C. <input type="checkbox"/> Public          D. <input type="checkbox"/> Commercial          E. <input type="checkbox"/> Industrial          F. <input type="checkbox"/> Other (specify)</p>	<p><b>3. Lot Dimension Data</b></p> <table border="1"> <tr><td>A. Area in squared feet or acres:</td><td></td></tr> <tr><td>B. Lot width at building line:</td><td><u>106 ft</u></td></tr> <tr><td>C. Lot depth:</td><td><u>120 ft</u></td></tr> <tr><td>D. Lake/Stream setback:</td><td><u>NA ft</u></td></tr> <tr><td>E. Vegetation setback:</td><td><u>NA ft</u></td></tr> <tr><td>F. Road setback:</td><td><u>25 ft</u> *</td></tr> <tr><td>G. Right of way setback:</td><td><u>ft</u></td></tr> <tr><td>H. Side lot setback:</td><td><u>45 ft</u> **</td></tr> <tr><td>I. Rear lot line setback:</td><td><u>95 ft</u></td></tr> </table>	A. Area in squared feet or acres:		B. Lot width at building line:	<u>106 ft</u>	C. Lot depth:	<u>120 ft</u>	D. Lake/Stream setback:	<u>NA ft</u>	E. Vegetation setback:	<u>NA ft</u>	F. Road setback:	<u>25 ft</u> *	G. Right of way setback:	<u>ft</u>	H. Side lot setback:	<u>45 ft</u> **	I. Rear lot line setback:	<u>95 ft</u>
A. Area in squared feet or acres:																				
B. Lot width at building line:	<u>106 ft</u>																			
C. Lot depth:	<u>120 ft</u>																			
D. Lake/Stream setback:	<u>NA ft</u>																			
E. Vegetation setback:	<u>NA ft</u>																			
F. Road setback:	<u>25 ft</u> *																			
G. Right of way setback:	<u>ft</u>																			
H. Side lot setback:	<u>45 ft</u> **																			
I. Rear lot line setback:	<u>95 ft</u>																			
<p>4. Lake/Stream Name: _____          5. Lake/Stream I.D. Number: _____          6. If the building site is substandard under the current zoning ordinance, do you claim that the lot is "grandfathered" in?  <input type="checkbox"/> Yes <input type="checkbox"/> No          Explain: _____</p>	<p><b>7. Structure Type:</b></p> <p>A. <input checked="" type="checkbox"/> Residences E. <input type="checkbox"/> Commercial          B. <input type="checkbox"/> Garage F. <input type="checkbox"/> Industrial          C. <input type="checkbox"/> Office G. <input type="checkbox"/> Warehouse          D. <input type="checkbox"/> Storage H. <input type="checkbox"/> Deck</p> <p><b>8. Sewage Disposal:</b></p> <p>A. <input checked="" type="checkbox"/> Public C. <input type="checkbox"/> Holding Tank          B. <input type="checkbox"/> Drainfield D. <input type="checkbox"/> Alternative System</p> <p><b>9. Water Supply:</b></p> <p>A. <input checked="" type="checkbox"/> Public B. <input type="checkbox"/> Private Well</p>																			

\* 25' setback from curb.  
 appx 17' setback from property line

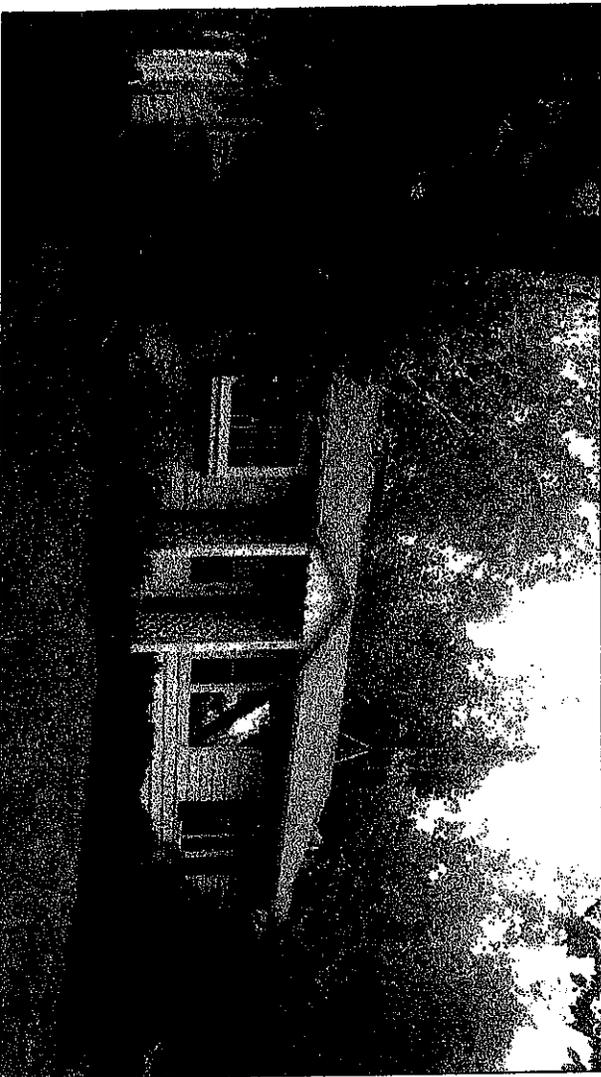
\*\* appx 37' setback from side property line.



Area of proposed enclosed park \*



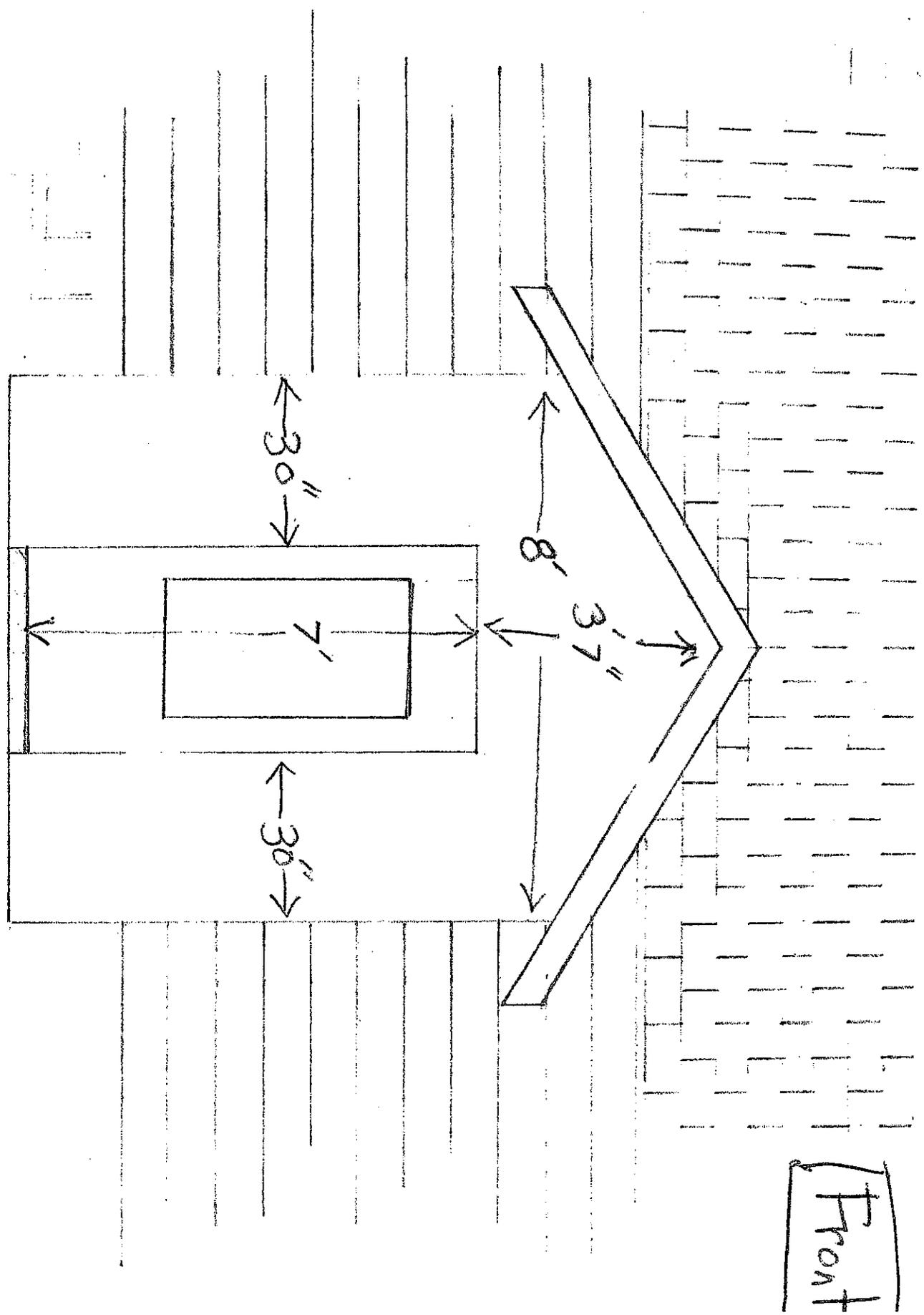
Existing



\* actual drawings  
attached

J Halstrom

817 West 1st St

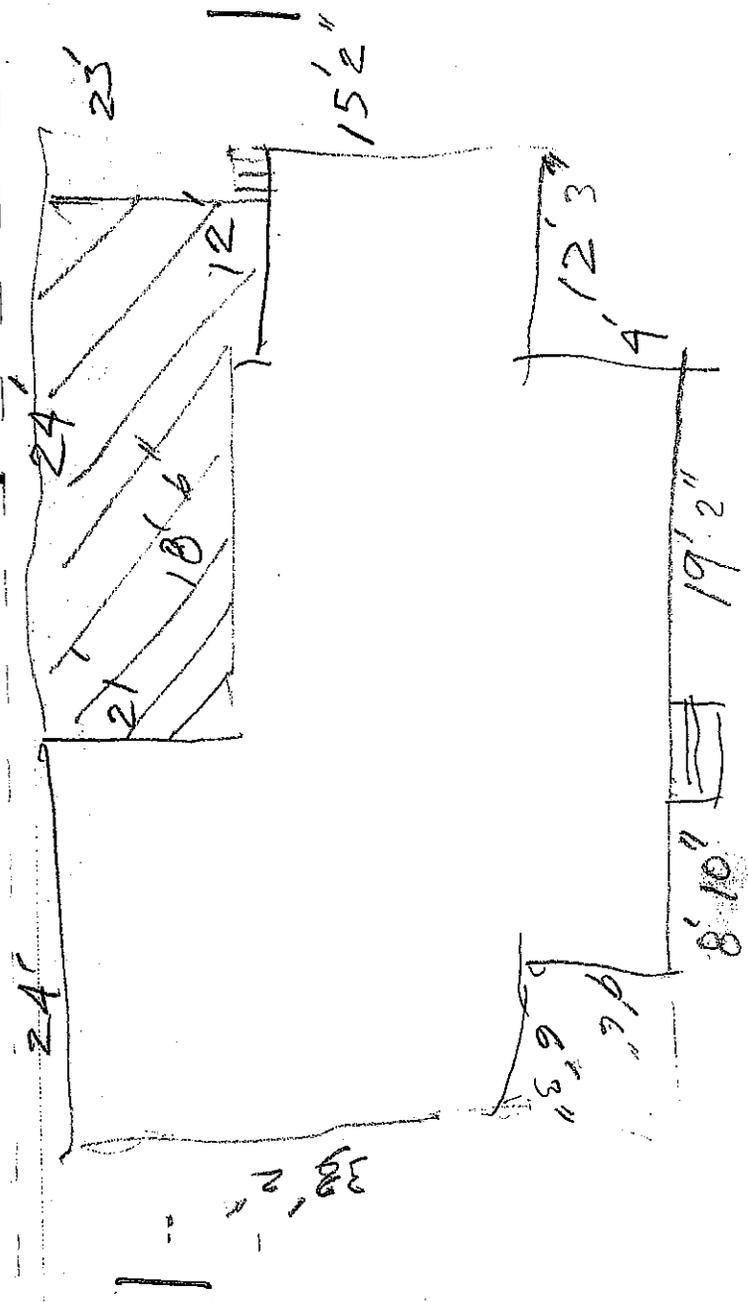
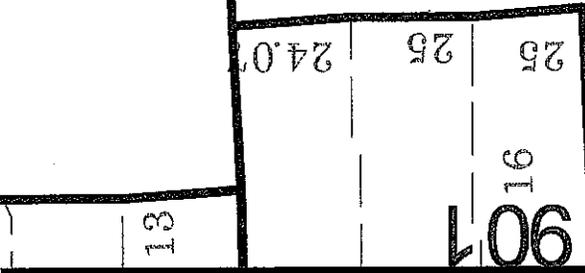
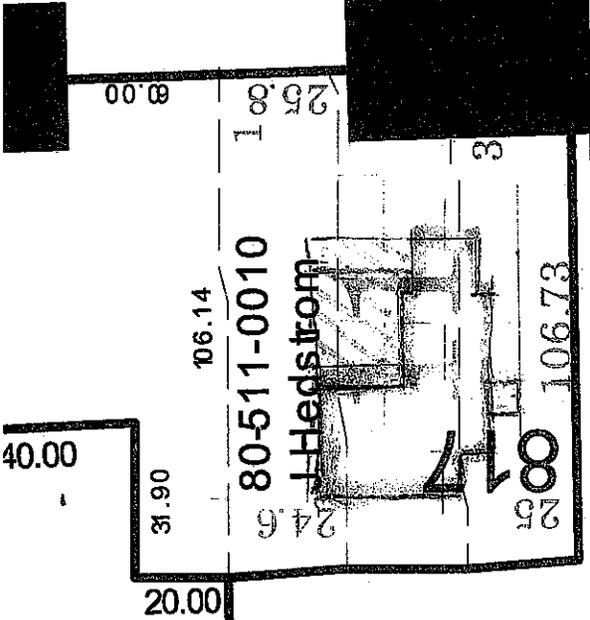


0.37 Acres

L/ Pedersen  
80-210-0080

801  
40 10

135



NOTICE OF PUBLIC HEARING  
GRAND MARAIS PLANNING COMMISSION  
GRAND MARAIS CITY HALL

The Grand Marais Planning Commission will hold a public hearing on Wednesday, December 5, 2012, at 4:00 p.m. in the City Council Chambers of City Hall to consider the following:

1. Jeanne Hedstrom's request for a variance to construct an enclosed entry 8' within the required 25' front yard setback on her property zoned R-1. The property is legally described as all of Block 11, Bramer Addition, 817 W 1<sup>st</sup> St.

All persons interested in appearing at this hearing in support or opposition to these proposals may appear and will be heard. Written statements may be submitted in lieu of attending this meeting. A quorum of the City Council may be present, but no official city business will be conducted.

Michael J. Roth  
Zoning Administrator

11-19-2012

I support Jeanne Hedstroms  
request for a variance -

Beverley M. Denys

P.O. Box 414

920 W 1st St.

Grand Marais Mn 55604

218-387-2572

CITY OF GRAND MARAIS, MINNESOTA  
CITY COUNCIL RESOLUTION 2012-08

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GRAND MARAIS,  
MINNESOTA APPROVING THE JEANNE HEDSTROM REQUEST FOR A VARIANCE

WHEREAS, the applicant, Jeanne Hedstrom, seeks a Variance from the front yard setback requirements to construct an enclosed entry 8' within the required 25' setback limit on her property legally described on the attached Exhibit A, which is zoned R-1 Permanent Residential; and,

WHEREAS, the Planning Commission conducted a public hearing on December 5, 2012, and received public testimony regarding the proposed Variance; and

WHEREAS, all required notices regarding the public hearing were properly made; and

WHEREAS, the Planning Commission has reviewed the request and recommended approval of the Variance: and

WHEREAS, the City Council reviewed the requested Variance and Planning Commission recommendation at its meeting of December 12, 2012.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND MARAIS, MINNESOTA, that it adopts the following findings of fact related to the requested Variance:

Criteria #1     **The variance is in harmony with the purpose and intent of the ordinance.**

Finding #1     The entry is a typical residential use in harmony with creating a healthy, safe, attractive environment

Criteria #2     **The variance is consistent with the comprehensive plan.**

Finding #2     Granting the variance is consistent with respecting the needs of residents and with improving existing property before expanding developed area.

Criteria #3     **The proposal seeks to use the property in a reasonable manner not permitted by the zoning ordinance.**

Finding #3     The entry is in scale with the existing house and with nearby development.

Criteria #4     **The plight of the landowner is due to circumstances unique to the property not created by the landowner**

Finding #4 The lack of the proposed entry creates an ambiguous entrance to the house and seems like an oversight

Criteria #5 **The variance, if granted, will not alter the essential character of the locality.**

Finding #5 The entry will be consistent with houses constructed along 1<sup>st</sup> Street, generally built close to the setback.

BE IT FURTHER RESOLVED that the Variance from the front yard setback requirements to construct an enclosed entry 8' within the required 25' setback limit on her property is hereby approved.

Passed by the City Council of the City of Grand Marais, Minnesota this 12<sup>th</sup> day of December, 2012.

(SEAL)

\_\_\_\_\_  
Mayor Laurence Carlson

ATTEST:

\_\_\_\_\_  
Michael J. Roth  
City Administrator

Exhibit A

LEGAL DESCRIPTION:

All of Block 11, Bramer Addition

# City of Grand Marais

## MEMO

TO: Mayor Carlson  
City Council Members  
FROM: Michael J. Roth, City Administrator  
DATE: December 7, 2012  
SUBJECT: 2013 Supervisor Salaries

---

Union salaries have been settled with a two-year (2012-13) contract that calls for a 1.5% adjustment to salaries in 2013. Please approve a 1.5% salary increase for all non-union supervisory positions for 2013.

<b>Position</b>	<b>2012 Base Rate</b>	<b>2013 Base Rate</b>	<b>Increase</b>
Golf Course Superintendent*	\$20.61	\$20.91	1.5%
Liquor Store Manager	\$21.41	\$21.74	1.5%
Library Manager	\$22.02	\$22.35	1.5%
Electric Superintendent	\$24.92	\$25.30	1.5%
Water/Sewer Superintendent	\$24.92	\$25.30	1.5%
Finance Director*	\$24.99	\$25.37	1.5%
Parks Manager*	\$25.06	\$25.44	1.5%
City Administrator*	\$29.85	\$30.30	1.5%

\*salaried, hourly equivalent shown based on 2080 hours/year



CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

P.O. Box 960 • 225 1st Street North, Suite 2400 • Virginia, Minnesota 55792  
218-749-4880 • FAX 218-749-8528

September 10, 2012

To the City Council  
City of Grand Marais, Minnesota  
Attn: Mike Roth, Clerk/Treasurer  
Box 600  
Grand Marais, MN 55604

Dear Council Members:

We are pleased to confirm our understanding of the services we are to provide City of Grand Marais, Minnesota for the years ended December 31, 2012 and 2013. We will audit the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of City of Grand Marais, Minnesota as of and for the years ended December 31, 2012 and 2013. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI) such as management's discussion and analysis (MD&A), to supplement City of Grand Marais, Minnesota's basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. As part of our engagement, we will apply certain limited procedures to City of Grand Marais, Minnesota's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We will not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

1. Management's discussion and analysis.
2. Schedule of revenues, expenditures and changes in fund balances – budget to actual.

We have also been engaged to report on supplementary information other than RSI that accompanies City of Grand Marais, Minnesota's financial statements. We will subject the following supplementary information to the auditing procedures applied in our audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the financial statements as a whole.

1. Combining and individual fund financial statements.

## **Audit Objectives**

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of City of Grand Marais, Minnesota and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The reports on internal control and compliance will each include a paragraph that states that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance, and that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control over financial reporting and compliance. The paragraph will also state that the report is not suitable for any other purpose. If during our audit we become aware that City of Grand Marais, Minnesota is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

## **Management Responsibilities**

Management is responsible for the basic financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with the preparation of your financial statements and related notes. You are responsible for making all management decisions and performing all management functions relating to the financial statements and related notes and for accepting full responsibility for such decisions. You will be required to acknowledge in the written representation letter our assistance with preparation of the financial statements and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you are required to designate an individual with suitable skill, knowledge, or experience to oversee any nonaudit services we provide and for evaluating the adequacy and results of those services and accepting responsibility for them. We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; for the selection and application of accounting principles; and for the fair presentation in the financial statements of the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Grand Marais, Minnesota and the respective changes in financial position and cash flows, where applicable, in conformity with U.S. generally accepted accounting principles.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits, or other studies related to the objective discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information. With regard to using the auditor's report, you understand that you must obtain prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means

to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

### **Audit Procedures – General**

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about the financial statements and related matters.

### **Audit Procedures – Internal Control**

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

### **Audit Procedure – Compliance**

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of City of Grand Marais, Minnesota's compliance with the provisions of applicable laws, regulations, contracts, agreements and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

### **Engagement Administration, Fees, and Other**

We understand that your employees will prepare all confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to City of Grand Marais, Minnesota; however, management is responsible for distribution of the reports and the financial statement. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Walker, Giroux and Hahne, Ltd. and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a governmental agency or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Walker, Giroux and Hahne, Ltd. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release or for any additional period requested by the governmental agency. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately December 31<sup>st</sup> and to issue our reports no later than June 30<sup>th</sup> of each year. William Paulson is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.), as detailed below. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

	<u>2012</u>	<u>2013</u>
Audit fee	\$ 25,500	\$ 26,500
Out-of-pocket expenses	<u>2,100</u>	<u>2,100</u>
Total	<u>\$ 27,600</u>	<u>\$ 28,600</u>
Single audit, if applicable	<u>\$ 3,000</u>	<u>\$ 3,000</u>

*Government Auditing Standards* require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our 2009 peer review report accompanies this letter.

We appreciate the opportunity to be of service to City of Grand Marais, Minnesota and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the original of this letter and return it to us. A copy is enclosed for your records.

Very truly yours,

WALKER, GIROUX & HAHNE, LTD.



William Paulson  
Certified Public Accountant

**RESPONSE:**

This letter correctly sets forth the understanding of City of Grand Marais, Minnesota.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_



**Jelinek Metz McDonald, Ltd.**

A CERTIFIED PUBLIC ACCOUNTING & FINANCIAL SERVICES FIRM

JOHN G. JELINEK, CPA, PFS

WILLIAM METZ, CPA

DOUGLAS M. McDONALD, CPA

JUDD NORDQUIST, CPA

### System Review Report

October 29, 2009

To the Shareholders

Walker Giroux & Hahne, Ltd.

And the Peer Review Committee of the Minnesota Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of Walker Giroux & Hahne, Ltd. (the Firm) in effect for the year ended June 30, 2009. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary).

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Walker Giroux & Hahne, Ltd. in effect for the year ended June 30, 2009, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Walker Giroux & Hahne, Ltd. has received a peer review rating of *pass*.

# City of Grand Marais

## MEMO

TO: Mayor Carlson  
City Council  
FROM: Michael J. Roth, City Administrator  
DATE: December 7, 2012  
SUBJECT: Budget Discussion

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### Background

On September 12, the City Council approved the preliminary 2013 levy at \$866,552.44, an increase of 6.3% over the previous levy. The largest factor in this levy increase was the first time levy for business park bond payments in the amount of \$124,201.88. Other debt payments have been lowered by \$50,000. The general fund expense budget has increased 1.6%. Other budgeted revenues in the general fund are up \$60,000.

### Current Budget

The business park bond payment constitutes the largest factor in the current budget. In discussions with the EDA board and the County Board, there is a concept for the County to allow the EDA to levy for \$60,000 of the bond payment. The EDA meets with the County Board on Tuesday, December 11, to discuss their latest budget request, which includes this bond payment contribution.

The City Council completed a capital project prioritization exercise and identified eight priority projects:

1. Public works facility
2. Liquor store facility study
3. Park community connection
4. Highway 61 corridor improvements
5. Campground site upgrades
6. Park office/bathhouse project
7. Street/Utility reconstruction 1<sup>st</sup> Street area
8. City Hall/Public restroom project

The budget includes \$357,500 for capital projects including \$42,500 for fleet replacement, \$90,000 for street maintenance/reconstruction, and \$125,000 for park projects. There is an additional \$75,000 for Council priorities.

### **Future Budget Considerations**

The State budget has been in crisis mode for a number of years, with solutions often relying on local governments. The current projection is for a \$1.1 billion shortfall. Our allotment of aid from the state has fallen in the past ten years from a high of \$361,000 to a current \$96,000.

Our agreement with AFSCME expires at the end of 2013.

### **Next Steps**

The attached spreadsheets detail the proposed 2013 budget final draft and the necessary levy to fund this budget. The proposed levy of \$824,152 is \$9,095 more than the 2012 levy, \$1,845 less than the 2011 levy, and \$42,400 less than the preliminary levy set in September. This meeting provides a final opportunity to discuss the budget, as well as for public input. We will request approval of the budget and levy at your December 26 meeting.

City of Grand Marais

Historical Levy and Spending

	2006	2007	2008	2009	2010	2011	2012	2013	% Increase
General Fund Spending	1,600,485	1,693,583	1,736,628	1,763,313	1,771,960	1,825,997	1,863,218	1,893,496	1.63%
Property Tax Levy	689,847	717,490	745,910	779,275	802,657.38	825,997.43	815,057.51	824,152.44	1.12%
Effective Tax Rate	51.54%	46.15%	47.13%	47.91%	47.66%	48.17%	52.13%		
REVENUE	\$536,141.00	\$540,828.52	\$586,957.95	\$584,223.27	\$601,801.59	\$650,879.50	\$638,573.53	\$634,006.34	
S/W REVENUE BONDS 1980	\$23,861.00	\$23,482.00	\$22,956.60	\$23,200.65					
2005 REFUNDING	\$46,770.00	\$50,077.00	\$43,145.00	\$49,677.13	\$47,713.63	\$45,856.70	\$49,908.13	\$31,838.38	
2004 PFA LOAN	\$37,775.00	\$37,122.00	\$29,911.35	\$32,292.25	\$32,292.25	\$31,757.32	\$31,811.13	\$40,085.96	
G.O. IMPROVEMENT 2004	\$45,300.00	\$45,317.00	\$43,978.00	\$39,613.55	\$43,229.75	\$42,133.46	\$41,479.84	\$27,042.10	
G.O. IMPROVEMENT 2005		\$20,663.00	\$18,961.00	\$20,815.27	\$24,870.90	\$29,252.35	\$28,512.10	\$26,977.79	
G.O. IMPROVEMENT 2008				\$29,452.40	\$52,749.27	\$26,118.10	\$24,772.79		
G.O. REFUNDING 2009 EDA								\$64,201.88	





Minnesota Department of Natural Resources • 1568 Highway 2 • Two Harbors, MN 55616

Telephone: (218) 834-1440 • Fax: (218) 834-6639 • [www.mndnr.gov/mlscp](http://www.mndnr.gov/mlscp)

December 3, 2012

Dear Mayor Carlson and Grand Marais City Councilors,

The Governor's Council on Minnesota's Coastal Program, or Coastal Council for short, has two vacancies for representatives from Cook County. As one of the local units of government in the coastal area, you are invited to nominate up to three candidates to serve on the Coastal Council. The Governor will review the nominations and make the final decisions regarding Council appointments.

Appointees are part of a 15-member group responsible for recommending grant priorities and grant projects for funding to the Commissioner of the Department of Natural Resources; reviewing the Coastal Program's annual administrative budget; and evaluating the Coastal Program's performance. Members come with diverse backgrounds and a wide array of experience, but all have a passion for Lake Superior. More information about the Coastal Council and its parent program, Minnesota's Lake Superior Coastal Program can be found on the enclosed fact sheet or at [www.mndnr.gov/mlscp](http://www.mndnr.gov/mlscp).

Given the immediacy of the vacancies, nominations should be submitted to the Secretary of State's office by December 25, 2012. A complete nominee application package will include "State of Minnesota Open Appointments Application for Service on State Agencies, Boards, Councils, Commissions or Task Forces", a resolution demonstrating your support as well as a cover letter and current resume for each candidate. Enclosed is a copy of the application form for your candidates to fill out. The form is also available on-line at <http://www.sos.state.mn.us/index.aspx?page=5>. The application package must be returned to the Secretary of State, Open Appointments Office using the address included on the form or submitted via email to [open.appointments@state.mn.us](mailto:open.appointments@state.mn.us). I would also ask that a copy of the application package be sent to the Coastal Program office. Having a copy will help the Program track the applications for these vacancies.

If you are interested in receiving monthly e-mail reminders about future vacancies on the Coastal Council or other positions across the state, you can sign-up to join the Secretary of State's email list-serve by submitting your email address to [open.appointments@state.mn.us](mailto:open.appointments@state.mn.us) or by calling 651-297-5845. Current vacancies are posted monthly at <http://www.sos.state.mn.us/index.aspx?page=308>.

Thank you in advance for your nominations. If I can be of further assistance in the process or you would like more information about the Coastal Program, please do not hesitate to contact me by telephone at 218-834-1445 or via email at [amber.westerbur@state.mn.us](mailto:amber.westerbur@state.mn.us).

Sincerely,

A handwritten signature in black ink that reads "Amber A. Westerbur". The signature is written in a cursive, flowing style.

Amber A. Westerbur  
Acting Program Manager

Enclosures

# **MINNESOTA'S LAKE SUPERIOR COASTAL PROGRAM**

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The goal of Minnesota's Lake Superior Coastal Program is to preserve, protect, develop and where possible, restore and enhance coastal resources for current and future generations.

Minnesota's Lake Superior Coastal Program is part of a voluntary national Coastal Resource Management Program. This partnership between federal and state governments offers financial (approximately \$950,000 per year to Minnesota) and technical assistance as well as additional review and control of federal activities in this region through a mechanism called federal consistency.

## **THE GOVERNOR'S COUNCIL ON MINNESOTA'S COASTAL PROGRAM (COASTAL COUNCIL)**

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The Coastal Council has a key role in implementing a grant program that distributes approximately \$450,000 each year. With its review and recommendations, it provides direction to Minnesota's Lake Superior Coastal Program and the Minnesota Department of Natural Resources. This includes making recommendations for grant program priorities and project proposals to receive funding.

Fifteen members make up the Coastal Council. Twelve members are selected from candidates nominated by local government units and three at-large positions, chosen from candidates nominated by the general public. Each local government unit may nominate up to three candidates. Only one elected official per county may be selected for membership. Final decisions regarding Council membership are made by the Governor.

Responsibilities of the Coastal Council include:

- Review and make recommendations to the Commissioner of Natural Resources on program priorities;
- Select project proposals to recommend for funding;
- Review the Coastal Program's annual administrative budget;
- Participate in biennial program reviews and periodic reviews of the program by the National Oceanic and Atmospheric Administration's (NOAA) Office of Ocean and Coastal Resource Management.

Members meet twice during the grant review period (January – February) and every other month beginning in March. Meetings are held at locations within the coastal area, which extends about six miles inland from the shoreline and up the St. Louis River to Cloquet. Previous meetings have been held in Cloquet, Duluth, Two Harbors, Finland, Beaver Bay and Grand Marais. Meeting length varies; generally the January and February grant review meetings go from 9:00 am – 3:00 pm and the others are from 9:00 am – 12:00 pm. Meeting dates are determined by the Council. Historically, the Council has met on the first or third Friday.

Members are not paid for their time, but are reimbursed for travel expenses.

**STATE OF MINNESOTA  
OPEN APPOINTMENTS APPLICATION FOR SERVICE ON  
STATE AGENCIES, BOARDS, COUNCILS, COMMISSIONS or TASK FORCES**

*All information on this form is available to the public upon request.*

**Part I - Tell us about the Position to which you are applying**

*Required Information (MN Stat § 15.0597 Subd. 5.)*

**Agency Name:** \_\_\_\_\_  
(Name of board, council, commission or task force.)

**Position Sought:** \_\_\_\_\_  
(Membership position sought or enter "member".)

*By request, this application will be made available in alternative format (for example, braille, large print, audio tape, or computer disk.)*

**Part II - Tell us about Yourself**

*Required Information (MN Stat § 15.0597 Subd. 5.)*

**Applicant Name:** \_\_\_\_\_  
(First Name) (Last Name)

**Preferred Phone:** (\_\_\_\_) \_\_\_\_\_

**Preferred Mailing Address:** \_\_\_\_\_  
(Preferred Mailing Address)

**E-MAIL:** \_\_\_\_\_

**County:** \_\_\_\_\_

\_\_\_\_\_  
(City) (State) (Zip)

**MN House of Rep Dist:** \_\_\_\_\_ **US House of Rep Dist:** \_\_\_\_\_  
Find your districts by using the Poll Finder at:  
<http://pollfinder.sos.state.mn.us/>

**Have you ever been convicted of a felony?**  
Yes \_\_\_\_\_ No \_\_\_\_\_

**Did the Appointing Authority suggest you submit your application?** Yes \_\_\_\_\_ No \_\_\_\_\_

*Please attach a cover letter, current resume, or other information that you feel would be helpful to the Appointing Authority.*

**Part III: OPTIONAL STATISTICAL INFORMATION**

*The following information is optional and voluntary (MN Stat §15.0597 Subd. 5.)  
Information is collected for, and compiled in, the annual report on the open appointments process pursuant to MN Stat §15.0597 Subd. 7.*

**Sex:**  
Female \_\_\_\_\_  
Male \_\_\_\_\_

**Age:** \_\_\_\_\_  
**Disability:**  
Yes \_\_\_\_\_  
No \_\_\_\_\_

**Political Party:**  
\_\_\_\_\_ Democratic-Farmer-Labor  
\_\_\_\_\_ Independence  
\_\_\_\_\_ Republican  
\_\_\_\_\_ No Party Preference  
\_\_\_\_\_ Other \_\_\_\_\_

**Hispanic, Latino, or Spanish origin?**  
\_\_\_\_\_ Yes \_\_\_\_\_  
\_\_\_\_\_ No \_\_\_\_\_

**Race:** \_\_\_\_\_ African American or Black  
(Pick as many as apply) \_\_\_\_\_ American Indian or Alaska Native  
\_\_\_\_\_ Asian or Pacific Islander

\_\_\_\_\_ White or Caucasian  
\_\_\_\_\_ Other Race \_\_\_\_\_

**Part IV: Signature and Submittal Instructions**

I swear that, to the best of my knowledge, the above information is correct and that I satisfy all legally prescribed qualifications for the position sought. (\*If another person or group is nominating the applicant, the applicant's signature indicates consent to nomination.)

\_\_\_\_\_  
(Signature of Applicant)

\_\_\_\_\_  
(Date)

**MAIL OR SUBMIT IN PERSON:**  
Office of Secretary of State  
Open Appointments  
180 State Office Building  
100 Rev Dr Martin Luther  
King Jr Blvd  
St. Paul, MN 55155-1299

**Phone:** (651) 297-5845  
**Email:** [open.appointments@state.mn.us](mailto:open.appointments@state.mn.us)  
**Online application:**  
<http://www.sos.state.mn.us/index.aspx?page=5>

Applicants will not receive an acknowledgement of submitted applications; the appointing authority will notify you if an interview is desired.

**FOR OFFICE USE:**  
Sub by AA: \_\_\_\_\_  
AA: \_\_\_\_\_  
Trans Date: \_\_\_\_\_  
Rev.09-2011

**Approved Minutes-Park and Recreation Board**

**Wednesday, November 7, 2012**

**Members Present:** Paul Anderson, Walt Mianowski, Robin Duchien, Sally Berg and Tracy Benson

**Members Absent:** Bill Lenz

**Staff Present:** Dave Tersteeg, Samantha Williams and Mike Kunshier

**Call to Order**

Mianowski called the meeting to order at 4:33pm

**Additions or Corrections to Agenda**

A motion by Berg to approve the agenda, second by Duchien all ayes, motion approved.

**Review October Minutes**

Motion by Berg to approve the October minutes, second by Duchien. All ayes, motion approved

**Guests**

None

**Golf Report & 2013 Rates:**

Kunshier reported 2012 year to date (YTD) revenues for the golf course were up 9% (\$12,369) vs. 2011. Season passes were up 8%, green fees were up 12% and carts were up 8%. These figures do not include operating transfers from the park or County support. The course is closed now for the season; Kunshier and Staples will spend the next few weeks putting everything to bed for the winter. Kunshier passed out his 2013 rate proposals for the board to review and approve. Berg asked if rates were raised every year? Kunshier responded that strategic adjustments are made yearly, but across the board rate hikes are not necessarily annual. After some board discussion and agreement that Kunshier's rates were good, a motion was made by Anderson to approve the 2013 rates as presented, second by Mianowski. All ayes, motion passed.

**Pool Report:**

Tersteeg reported October visitation and revenue numbers were both down vs. last year. YTD visitation numbers are down about 9% (2000 visits) and revenue for the year is down about 10% (\$6,000). Water fitness classes are still going strong, but we are going to have a staffing issue shortly. Kayla Gotchie has been leading the program since she introduced it over a year ago, however, she has taken a full time job in Tofte and will no longer be available to lead the classes. With Kayla leaving, the pool will need a new lifeguard and instructor for school swim lessons, as well as the fitness classes. Ads will be posted to fill her position.

**2013 Recreation Area Rates:**

The board brainstormed rate adjustments for 2013 camping, boating and pool rates. A memo prepared by Tersteeg outlining market rate analysis and pricing strategies was reviewed and members expressed a desire to keep increases reasonable. Anderson stated he believes every dollar we raise our rates is a dollar less our guests don't spend in town; and if we do increase rates that money should be used on site upgrades: gravel pads, new grills, tables, signs, etc. The board discussed what percentage to raise nightly and monthly rates; the preference was for a 1.5% nightly increase (\$0.50) and a 1% monthly increase on the 3+ month base rate (\$7/month). Further discussion focused on creating a new, high-end class of RV sites along the harbor – sites 81-91 & 97-100 are so nice, perhaps they should cost more? Other rate adjustments considered included storage rates going up 1.5% (\$1/month), seasonal marina rates going up 1% (\$.50/foot) and mooring rates going to a base rate of \$600 for the season no matter the size of the boat. After further discussion, the board instructed staff to prepare the proposed rate adjustments into an easy to read format to be reviewed and voted on at the December meeting.

**Camper /Boater Issues and Concerns:**

None

**Marina/Mooring/Harbor Report:**

None

**City Council Update:**

Lenz was absent from the meeting, but Tersteeg reported that the City and County are very close to approving the partnership agreement for funding the new Cook County Family YMCA.

**Parks Update:**

- YTD park and marina revenue is up 12% over last year (\$100,000); composite (May-Oct.) occupancy for 2012 was 46% vs. 44% last year.
- Work on the Community Connection trail has begun. The blast rock has arrived on site.
- North House Folk School's "Winterers Gathering" is scheduled for November 14<sup>th</sup> to 18<sup>th</sup>. The park will again be hosting the tent city that gathers around the gathering.
- The CCVB's "A North Shore Holiday" event kicks off Friday November 23<sup>rd</sup> at 5 PM with the lighting of the Harbor Park Tree and lights downtown, along with a parade at 5pm.
- The Active Living summit is being held on November 14<sup>th</sup> at the ACA; all members are encouraged to attend.
- The new toddler swings have arrived and will be installed this spring. The total cost was \$2200.
- Mianowski has a new post office box number.

**Adjourn**

Motion to adjourn at 5:40 pm by Mianowski. These minutes will be reviewed for approval at the December meeting.

**December meeting is Thursday, December 6th at 4:30 in the Park Office. Please contact the Park Office if you cannot attend, 387-1712.**

**Cook County-Grand Marais Economic Development Authority**  
**Grand Marais City Hall**  
**November 13, 2012 – 3:00 p.m.**

**Present:** EDA Board Members Scott Harrison, Mike Littfin, Mark Sandbo, Hal Greenwood, Bruce Martinson, Don Davison; Community Fundraising Solutions/Housing Coordinator Nancy Grabko, Steve Grabko; Golf Course Manager Bob Fenwick; Golf Course Consultant John Wait; Rhonda Silence.

**Absent:** Bob Spry.

**Public Comment**

No public comment.

**Agenda reviewed.** Added to the agenda was discussion of EDA website, line -of-credit loan request, 1 percent access, approval of transfer from EDA to SNL and state audit.

*Motion by Mike Littfin, second by Hal Greenwood to approve agenda as adjusted. Motion carried, all ayes.*

Minutes of October 9, 2012 reviewed.

*Motion by Scott Harrison, second by Mike Littfin to approve October 9, 2012 meeting minutes. Motion carried, all ayes.*

**Cook County Housing Administrator**

**Housing Report**

Nancy Grabko of CFS gave her monthly report. She said CFS would be awarding the 5<sup>th</sup> and final project of the 2011 MN Department of Employment and Economic Development (DEED) Small Cities Development Program soon. She said the housing program has received \$2,960 from DEED and will be receiving an additional administrative reimbursement of \$1,295. This will be deposited to the EDA housing program's restricted reserve account.

CFS and AEOA recently underwent a DEED grant monitoring review. Nancy Grabko said it was quite complicated, looking at commercial rehab, housing, use of funds, compliance with Davis-Bacon wages, etc. She said she was pleased to report that all grant and client requirements were found to be in compliance with no findings.

Steve Grabko gave a report on the software training he attended in Tempe, Arizona. He said it will be very helpful, as the new housing software system gets implemented. He said he had conducted three owner-occupied inspections this week, which was necessary to close out the 2011 DEED grant. He continues to work with the Cook County Local Energy Project (CCLEP) and the Grand Marais PUC on energy audits.

Nancy Grabko said the Commercial Rehab Committee had narrowed down the commercial rehab projects to four businesses, from 19 applicants. Grabko said she could only announce two as the other business owners had not yet been notified. Receiving assistance will be The Mangy Moose Motel, which will be making energy efficiency upgrades and making the motel and beauty shop handicap accessible. The other recipient will be GunFlint Tavern, which will receive assistance with getting energy efficiency windows and some signage.

Nancy Grabko said 12 contractors attended the CCLEP workshop on October 28. Three of the EDA's licensed contractors completed the training. They will be reimbursed for 50% of the tuition from the EDA's restricted reserve fund when the EDA receives a certification of training.

Nancy Grabko presented a draft copy of a 2013 contract for CFS's services. She said she understands that the EDA will not know what it can agree to until its budget/levy is settled with Cook County, but she said she wanted to provide all the necessary information for the EDA to consider in advance.

The board reviewed CFS invoices for payment: Postage/office supplies \$62.34; CCLEP \$159; Environmental Review for DEED grant \$500; Northern Wilds advertising \$96.

*Motion by Mike Littfin, second by Hal Greenwood to approve invoices as presented. Motion carried, all ayes.*

### **Superior National at Lutsen golf course**

Superior National at Lutsen Manager Bob Fenwick gave a report on golf course activities. He said he plans to present the golf course budget to the EDA in December.

He reported that the golf course gained approval of the county board that morning for \$3 million from the county's 1 percent sales tax. He suggested that the EDA send a letter to the county board, thanking them for the support and saying that the EDA looks forward to working with the county. He also suggested sending a letter of thanks to John Lindell, who had submitted a supportive letter to the county on the project.

Fenwick said the grant application to the IRRRB had been submitted. He said IRRRB representatives made a site visit to SNL and they seemed supportive.

Fenwick said he spoke with Bruce Kimmel of Ehlers and Associates, a bonding consultant company, earlier. Kimmel said bond interest rates are very favorable right now.

Fenwick said he has reached out to the people recently elected to the county board, Garry Gamble and Heidi Doo-Kirk. He hopes to meet with them within a few days to talk to them about the status of the golf course.

Fenwick asked if the EDA could appoint someone from the board to negotiate contracts on the golf course projects.

*Motion by Hal Greenwood, second by Don Davison to appoint Scott Harrison and Bob Fenwick to be the Superior National at Lutsen contacts to negotiate with architects and design companies and potential future contractors on the golf course project. Motion carried, all ayes.*

John Wait of Sirius Golf Advisors said he would like to continue to work with SNL. He presented a draft contract with four possible options, including an option for his company to serve as a managing company. He said he was confident that the business plan he has developed will make the golf course successful, but he said it needs to be implemented. He said he would like to have a role that. He said as a consultant it is not his job to follow-up to see that the things recommended are being done. He said he normally doesn't check up on things, but he did at SNL and he was disappointed to see that the point-of-sale (POS) system was not being used. He gave a couple of other examples. He said he is happy to continue as a consultant under the first option, but he said he thought the golf course would benefit if the EDA chose one of the other options which would give him more time and involvement with SNL.

The board thanked Wait for the proposals. After he left there was some discussion of the various options. Bruce Martinson said looking at the business plan that Wait put together for the course, he didn't see where they could afford to increase what it pays to the consultant. It was agreed to discuss the options further at the next meeting.

Mark Sandbo announced that the SNL had repaid its loan to the county that morning, an amount of \$227,250.

Scott Harrison said he had asked the EDA's attorney Baiers Heeren to draft an option to purchase four acres adjacent to the River course which are needed for the golf course improvements.

*Motion by Hal Greenwood, second by Mike Littfin, allowing Chair Mark Sandbo to execute an agreement with Lutsen Mountains Corporation for land needed for golf course renovation. Motion carried, all ayes.*

Golf course financials were reviewed.

*Motion by Hal Greenwood, second by Mike Littfin to approve golf course financials. Motion carried, all ayes.*

### **Cedar Grove Business Park**

Mark Sandbo said Kim Kozar of the League of Minnesota Cities, which is representing the EDA in its litigation with the engineering firm SEH, had contacted the EDA. SEH has turned down the EDA's proposal. Kozar will let them know the court date.

There was discussion on the future bond payments for Cedar Grove Business Park. Scott Harrison asked if the city or the county had made any steps to commit to paying a portion of the bonds. Don Davison said after the joint EDA, city and county meeting, it appeared they were going to do so. Mark Sandbo said when the EDA presents its mission statement and budget proposal to the county in December, it should include \$60,000 for bond payments. It was agreed that it would be good if the city made its commitment to pay \$60,000 for bond payments official before that.

### **Other business**

#### **EDA Website**

Mark Sandbo logged on to the new EDA website so the board could review it. The web addresses: grandmaraisEDA.org and cookcountyEDA.org both go to the EDA's website, which is titled "Prosperity North.com." Everyone was pleased with the website. Bruce Martinson said he would see that it gets linked to the county's website. Don Davison said a link should be added about the EDA's Higher Education scholarship. He will get that information to Northern Wilds, which set up the website.

#### **Access to 1 percent funds**

Scott Harrison said he would like the process for accessing 1 percent funds for the golf course clarified. He asked if the EDA/golf course just has to talk to Auditor Braidy Powers. The board agreed to ask Bob Fenwick to find out what needs to be done.

#### **Line -of-credit loan request**

The EDA noted that it would rather have a line-of-credit from the county to meet cash shortfalls at the beginning of the season, instead of a loan. Mark Sandbo said it would be better to request a line-of-credit for \$225,000 to draw on as needed, to avoid having to pay interest on funds not used. There was discussion of whether the EDA should request \$100,000 or \$225,000. Bruce Martinson said he will be put the request on the agenda of the next county board meeting.

*Motion by Hal Greenwood, second by Mike Littfin, to request a line-of-credit of \$225,000, to be drawn on as needed. Motion carried, all ayes.*

#### **Transfer of funds from EDA to SNL**

*Motion by Hal Greenwood, second by Mike Littfin to authorize the treasurer to transfer \$100,000 from the EDA to Superior National at Lutsen to be paid back when available. Motion carried, all ayes.*

#### **State audit**

Bruce Martinson said he had reviewed the EDA's state audit. An audit finding was that EDA staff needs to review the financial balances and journal entries. Martinson, the EDA's treasurer, said he is not able to do that since the EDA's books are on the computer of its accountant. Scott Harrison said this should be part of a broader part of the EDA's financial record-keeping. Mark Sandbo agreed. He said the EDA should look at having an office manager or EDA director who can handle finances. Harrison said he didn't think the EDA really needs a full time executive director. He said the business park, housing program and golf course need limited oversight. He said since the county is looking at hiring a half-time executive director for the new countywide chamber, it might be possible for that person to take on the job of EDA director as well. He said the EDA should think about combining the position, as there are different—but similar—missions. Harrison said he would discuss this with the others at an upcoming chamber meeting.

*Motion by Mike Littfin, second by Don Davison, that the representatives on the EDA board also work with the countywide chamber to pursue a shared directorship. Motion carried, all ayes.*

### **Resource Development Council**

No update.

### **Financials**

Financials were reviewed for the Cook County-Grand Marais Economic Development Authority for October 2012. Scott Harrison noted that it was difficult to get financial questions answered. He said how the EDA's financials are handled should be looked at in the future. *Motion by Hal Greenwood, second by Don Davison, to approve the Cook County-Grand Marais Economic Development Authority financial statements for October 2012. Motion carried, all ayes.*

### **Standing committee reports**

**EDA Mission & Funding** – Scott Harrison presented a draft vision and mission statement and an explanation of programs.

**Personnel Committee** – No business

**Budget Committee** – Bruce Martinson noted that the county had requested a revised budget. It was agreed to hold a budget committee meeting on November 26 at 8 a.m. at Aspen Lodge.

Meeting adjourned at 5:00 p.m.

Respectfully submitted by

*Rhonda Silence*

*Minutes & More*

**Cook County-Grand Marais Economic Development Authority**  
**Special Meeting**  
**November 13, 2012 – 3:00 p.m.**  
**Aspen Lodge**

**Present:** EDA Board members Mike Littfin, Mark Sandbo, Scott Harrison, Hal Greenwood; Golf Course Manager Bob Fenwick, Consultants John Wait, Jeff Brauer; Golf Course Committee Members Marland Hansen, Scott Barry, Jim King; Rhonda Silence.

**Absent:** Bruce Martinson, Bob Spry, Don Davison.

Meeting called to order by Chair Mark Sandbo at 8:30 a.m.

Sandbo said the purpose of the meeting was to discuss the EDA's appearance at the county board meeting later in the day and how it would address commissioners regarding the EDA's 1 percent sales tax funding request. The other purpose of the meeting was to approve repaying the loan the golf course received from the county.

*Motion by Mike Littfin, second by Scott Harrison, to pay back the loan from Cook County (with interest) of \$227,620. Motion carried, all ayes.*

Mike Littfin asked if the EDA was going to ask for another loan. Mark Sandbo said the EDA/golf course should ask for a line-of-credit, which it could draw on as needed. Sandbo noted that it does not make sense to pay interest if not all of the funds are drawn.

Golf Course Manager Bob Fenwick said he had talked to Bruce Kimmel of Ehlers & Associates, a bond consulting firm. Fenwick said Kimmel was optimistic about bonding for proposed golf course improvements. Fenwick said that all is needed is a firm commitment from the county on the 1 percent funds.

The group welcomed John Wait of Sirius Golf Advisors and Jeff Brauer of Golfscapes. Wait said he was going to give a "trial run" of the presentation he would give to the county board later. He reviewed the history of the golf course, emphasizing the history of the course and its original mission statement. He said he would stress that the golf course has never been subsidized by the county. Wait said he will remind the county board that they hired him to conduct the golf course study. He presented the key findings of the study. He also recalled his first visit to the golf course and his thought that holes 1 – 4 were the "typical municipal golf course." He said when he reached hole 5 however, he was amazed at the how beautiful it was and he was encouraged by the potential. He said he and Jeff Brauer reached the conclusion that the course gets a "C" grade on an A+ piece of property. He said no matter how much people like the North Shore, golfers won't travel to SNL to play on a C course.

Wait said one of the biggest findings of the study was that the golf course was not being marketed enough and it is not appreciated locally. He pointed out that the golf course is not even mentioned on the EDA, county or Cook County Visitor's Bureau websites.

Wait noted that although the golf course has not been subsidized, it is facing a downward trend. He said the EDA does not want to see this trend continue. The golf course should be treated as what it is— an economic stimulus.

That means investing in the course, said Wait. He said Superior National at Lutsen spends less on maintenance on its course than mediocre courses in Duluth. He said as an over 20 year old course, it is past its life expectancy. He said just fixing the golf course infrastructure, would be putting the brakes on performance. It would not be enhancing the course.

Wait said he predicts that if the SNL does nothing, within 10 years the golf course will suffer a 1 ½ million dollar loss. He said he would ask the county board—who will pay for that? The EDA?

Taxpayers?

Or would the course be closed? Wait talked about the economic impact of the golf course. He said the county risks losing \$89,000 annual just in property taxes. That does not take into account all the tourism dollars that would also impact the county.

Alternatively, Wait said he felt the changes would bring a huge return on the EDA's investment. He said if the EDA follows the business plan he presented, he believes after construction, the golf course will see a \$66,000 positive cash flow; up to \$94,000 by 2017.

He said he anticipates about 18 full-time employees during construction and 8.8 full-time employees after.

Jeff Brauer then gave his part of the presentation, agreeing with Wait that the golf course needs maintenance, improvements and marketing. He talked about how the changes he proposes will increase play and thus increase revenue. He said he believed when the enhancements are complete, SNL will be in the top 1,500 golf courses in the U.S. He said if there are 15,000 golf courses in the U.S. and you are in the top 1,500, you will get national publicity.

Brauer also noted that construction prices are very favorable right now. EDA board member Scott Harrison pointed out that the EDA/golf course should also capitalize on the Poplar River waterline installation.

Jeff Brauer said the EDA could continue status quo and watch the golf course's death spiral. Or it could make these changes/investments and reinvigorate the course and have a course to be proud of. Marland Hansen and Jim King of the golf course committee pointed out that the consultants had not included the additional benefits to county taxpayers of the land around the golf course. John Wait agreed there is additional benefit, but it hard to calculate because it is hard to define what is—and isn't adjacent to the golf course.

Mark Sandbo said the presentation was great and he told his colleagues that they need to be familiar with it, to be able to answer questions from the public.

Bob Fenwick cautioned about talking about a death spiral. He said the county may just decide to give up. Mike Littfin agreed. He said the county may want to just sell the course. Hal Greenwood said no one would buy the course in its current condition.

Scott Harrison passed out a list of answers to the 10 questions from the county board on the SNL project. The board reviewed the items.

*Motion by Hal Greenwood, second by Mike Littfin to approve the answers as presented by Scott Harrison. Motion carried, all ayes.*

Meeting adjourned at 9:53 a.m.

Respectfully submitted by  
*Rhonda Silence*  
*Minutes & More*

## Upcoming Meeting Schedule

Updated December 7, 2012

### DECEMBER

Date/Time	Meeting	Location
Monday, December 10, 1:00 p.m.	Com. Center Groundbrk	School
Wednesday, December 12, 5:30 p.m.	City Council Meeting	Council Chambers
Wednesday, December 12, 6:00 p.m.	Budget Information Mtg	Council Chambers
Wednesday, December 26, 4:30 p.m.	City Council Meeting	Council Chambers

### JANUARY

Date/Time	Meeting	Location
Wednesday, January 9, 4:30 p.m.	City Council Meeting	Council Chambers
Wednesday, January 30, 4:30 p.m.	City Council Meeting	Council Chambers