

AGENDA
CITY COUNCIL MEETING
January 14, 2015
4:30 P.M.

A. Call to Order

B. Oath Of Office

C. Roll Call

D. 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.

E. Approve Consent Agenda

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

F. Appointments to Boards and Commissions

G. Select Acting Mayor

H. Council Vacancy

I. Designate Official Signatories

J. Designate Official Newspaper

K. Designate Depositories of City Funds

L. District Heating Project

-MN Department Of Agriculture Grant Agreement

-Follow-Up Work Contract with FVB

M. Resolution 2015-01 Agreeing to Maintain TAP Funded Facility

N. City Hall Asset and Energy Management Quote—CR-BPS

O. Other items as necessary

P. Council & Staff Reports

Q. Attached correspondence:

1. Letter of Resignation from Councilor Sivertson
2. Request for Council Rep to Northwoods Food Project
3. Upcoming Meeting Schedule

R. Adjourn

*CITY OF GRAND MARAIS
MINUTES
December 31, 2014*

Mayor Carlson called the meeting to order at 2:00 p.m.

Members present: Larry Carlson, Jan Sivertson, Bill Lenz and Bob Spry
Members absent: Tim Kennedy
Staff present: Kim Dunsmoor and Chris Hood

Mayor Carlson invited the public to speak during a period of open forum. Open Forum is limited to one half-hour. No person may speak more than 5 minutes or more than once.

Bill Neil, Cook County News Herald, thanked the council for their service to the community.

Motion by Spry, seconded by Lenz to approve the Agenda; December 10, 2014 Minutes; and Payment of Bills. Approved unanimously.

Motion by Lenz, seconded by Sivertson to approve Resolution 2014-10 Approving Final 2014 Tax Levy, Collectible in 2015 in the amount of \$ 824,152.44. Approved unanimously.

The final levy results in 0% increase from 2014.

Motion by Lenz, seconded by Spry to approve a 1.5% salary increase for all non-union supervisory positions for 2015. Approved unanimously.

Council discussed the District Heating Follow-Up Work Service Contract. City Attorney Hood advised to raise the general commercial insurance limits to \$1,500,000/\$3,000,000. Mayor Carlson preferred to delay the contract to the next council because they will be the ones to consider this project. Councilor Spry stated that it is a contract to spend grant dollars that have been awarded. Councilor Sivertson has been in favor of the project, but sees no risk in waiting two weeks.

Motion by Carlson, seconded by Lenz to defer the District Heating Follow-Up Work Service Contract to the new council. Approved unanimously.

Motion by Lenz, seconded by Spry to approve the First Reading of Ordinance 2014-04 An Ordinance of the City of Grand Marais, Minnesota, Amending City Code Chapter 26 fees to include Taproom Licenses for \$220 and Off-sale Malt Liquor Licenses for \$220. Approved unanimously.

Motion by Spry, seconded by Sivertson to approve the 2015 Standard Mileage Rates as published by the IRS for the use of a personal vehicle for city business at 57.5 cents per mile. Approved unanimously.

There being no further business, the meeting adjourned at 2:15 p.m.



***Check Detail Register©**

January 2015

Check Amt Invoice Comment

10100 MAIN CHECKING GMSB

Paid Chk#	Date	Payee	Check Amt	Invoice	Comment
10100 MAIN CHECKING GMSB					
Paid Chk# 002813E	1/6/2015	MN DEPT OF REVENUE-EFTPS			
E 101-41400-430		Miscellaneous (GENERAL)	\$4.54		Dec penalty
Total		MN DEPT OF REVENUE-EFTPS	\$4.54		
Paid Chk# 002814E	1/6/2015	MN DEPT OF REVENUE-EFTPS			
G 101-21702		State Withholding	\$1,212.98		1 CPYR 15
Total		MN DEPT OF REVENUE-EFTPS	\$1,212.98		
Paid Chk# 002815E	1/7/2015	PERA			
G 101-21704		PERA	\$4,036.33		1 CPYR 15
Total		PERA	\$4,036.33		
Paid Chk# 002816E	1/7/2015	VOYA			
G 101-21720		MN State Retirement DeferComp	\$290.00		1 CPYR 15
Total		VOYA	\$290.00		
Paid Chk# 002817E	1/8/2015	MII LIFE- HRA			
E 101-41400-131		Employer Paid Health	\$350.00	2014	TH
Total		MII LIFE- HRA	\$350.00		
Paid Chk# 002818E	1/9/2015	DEPT OT THE TREASURY IRS			
G 101-21703		FICA Tax Withholding	\$3,434.52		1 CPYR 15
G 101-21717		Medicare	\$808.62		1 CPYR 15
G 101-21701		Federal Withholding	\$2,560.11		1 CPYR 15
Total		DEPT OT THE TREASURY IRS	\$6,803.25		
Paid Chk# 002819E	1/8/2015	MN DEPT OF REVENUE-EFTPS			
G 609-20800		Taxes Due (State MN)	\$13,825.00		Dec Sales Tax
G 101-20800		Taxes Due (State MN)	\$2.00		Dec Sales Tax
G 211-20800		Taxes Due (State MN)	\$31.00		Dec Sales Tax
Total		MN DEPT OF REVENUE-EFTPS	\$13,858.00		
Paid Chk# 072563	1/9/2015	BERNICKS			
E 609-49750-260		Soft Drinks/Mix For Resale	\$16.75	434191	2014
E 609-49750-252		Beer For Resale	\$2,173.30	434192	2014
Total		BERNICKS	\$2,190.05		
Paid Chk# 072564	1/9/2015	BLUE CROSS/BLUE SHIELD OF MN			
G 101-21706		Health Insurance	\$12,437.00		CI926-V0 8
Total		BLUE CROSS/BLUE SHIELD OF MN	\$12,437.00		
Paid Chk# 072565	1/9/2015	JOHNSON BROTHER LIQUOR			
E 609-49750-333		Freight and Express	\$170.67	5060407	2014
E 609-49750-251		Liquor For Resale	\$5,555.14	5060407	2014
E 609-49750-333		Freight and Express	\$80.31	5060408	2014
E 609-49750-251		Liquor For Resale	\$2,001.25	5060408	2014
Total		JOHNSON BROTHER LIQUOR	\$7,807.37		
Paid Chk# 072566	1/9/2015	MINNESOTA LIFE			
G 101-21716		MN Mutual Life	\$149.80		0028722
Total		MINNESOTA LIFE	\$149.80		
Paid Chk# 072567	1/9/2015	NCPERS GROUP LIFE INS.			
G 101-21710		NCPERS-Pera	\$16.00		4936115
Total		NCPERS GROUP LIFE INS.	\$16.00		



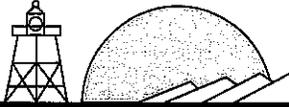
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January 2015

			Check Amt	Invoice	Comment
Paid Chk#	072568	1/9/2015	PHILLIPS WINE & SPIRITS		
E 609-49750-252	Beer For Resale		\$3,395.67	2721017	2014
E 609-49750-333	Freight and Express		\$98.21	2721017	2014
	Total PHILLIPS WINE & SPIRITS		\$3,493.88		
Paid Chk#	072569	1/9/2015	ROHLFING INC.		
E 609-49750-252	Beer For Resale		\$3,184.78	405162	2014
E 609-49750-333	Freight and Express		\$2.00	405162	2014
	Total ROHLFING INC.		\$3,186.78		
Paid Chk#	072570	1/9/2015	SUPERIOR BEVERAGES LLP		
E 609-49750-252	Beer For Resale		\$2,662.10	464824	2014
E 609-49750-333	Freight and Express		\$2.00	464824	2014
	Total SUPERIOR BEVERAGES LLP		\$2,664.10		
Paid Chk#	072571	1/9/2015	WINE MERCHANTS		
E 609-49750-251	Liquor For Resale		\$293.03	7012472	2014
	Total WINE MERCHANTS		\$293.03		
	10100 MAIN CHECKING GMSB		\$58,793.11		

Fund Summary

10100 MAIN CHECKING GMSB	
101 GENERAL FUND	\$25,301.90
211 LIBRARY	\$31.00
609 MUNICIPAL LIQUOR FUND	\$33,460.21
	\$58,793.11



CITY OF GRAND MARAIS

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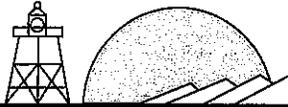
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Payments

City of Grand Marais

Current Period: January 2015

Batch Name	1152015AP	User Dollar Amt	\$418,436.80		
Payments		Computer Dollar Amt	\$418,436.80		
				\$0.00	In Balance
Refer	63970 PUBLIC UTILITIES COMMISSION1	Ck# 002804E	1/6/2015		
Cash Payment	E 101-41940-380 Utility Services (GENER	2014			\$1,219.67
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-43100-380 Utility Services (GENER	2014			\$27.12
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-45100-380 Utility Services (GENER	2014			\$664.66
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-43100-381 Street Light Utilities	2014			\$2,448.27
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-42700-380 Utility Services (GENER	2014			\$136.50
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-42200-380 Utility Services (GENER	2014			\$1,103.70
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 211-45500-380 Utility Services (GENER	2014			\$567.99
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-45184-380 Utility Services (GENER	2014			\$173.82
Invoice	DECEMBER 201	1/6/2015			
Cash Payment	E 101-42200-380 Utility Services (GENER	2014			\$171.06
Invoice	DECEMBER 201	1/6/2015			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$6,513.79
Refer	63983 US POSTMASTER				
Cash Payment	E 101-41400-322 Postage				\$147.00
Invoice	CITY HALL	1/6/2015			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$147.00
Refer	63984 BAKER & TAYLOR				
Cash Payment	E 211-45500-435 Books, Periodicals, AV	2014			\$193.50
Invoice	2030164870	12/29/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$193.50
Refer	63985 BUCK S HARDWARE HANK				
Cash Payment	E 101-41940-220 Repair/Maint Supply (GE	2014			\$24.24
Invoice	1848	12/31/2014			
Cash Payment	E 101-41940-220 Repair/Maint Supply (GE	2014			\$4.94
Invoice	3125	12/31/2014			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE	2014			\$26.25
Invoice	3125	12/31/2014			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE	2014			\$71.89
Invoice	1712	12/31/2014			
Cash Payment	E 613-45125-211 Operating Supplies	2014			\$12.80
Invoice	9988	12/31/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$140.12
Refer	63986 LYLE S ACE HARDWARE				
Cash Payment	E 101-43100-430 Miscellaneous (GENERA	2014			\$15.49
Invoice	3125	12/30/2014			



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City of Grand Marais

Current Period: January 2015

Cash Payment	E 101-41940-220 Repair/Maint Supply (GE	2014			\$80.45
Invoice 3125		12/30/2014			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE	2014			\$103.44
Invoice 3125		12/30/2014			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE	2014			\$21.34
Invoice 1712		12/30/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$220.72
Refer	63987	SAWTOOTH LUMBER			
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE	2014			\$45.20
Invoice 60302/1		12/29/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$45.20
Refer	63988	FLEET ONE LLC			
Cash Payment	E 101-43100-212 Motor Fuels	2014			\$406.38
Invoice 4452910040		12/31/2014			
Cash Payment	E 101-43100-212 Motor Fuels	2014			\$20.78
Invoice 4452920040		12/31/2014			
Cash Payment	E 101-45100-212 Motor Fuels	2014			\$31.95
Invoice 4452890040		12/31/2014			
Cash Payment	E 101-45100-212 Motor Fuels	2014			\$5.95
Invoice 4452920040		12/31/2014			
Cash Payment	E 101-42200-212 Motor Fuels	2014			\$28.96
Invoice 4453160040		12/31/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$494.02
Refer	63989	MINNESOTA DEPARTMENT OF HE			
Cash Payment	E 613-45125-439 Licenses				\$513.50
Invoice FBL-15036-1350		1/6/2015			
Cash Payment	E 101-45100-439 Licenses				\$1,650.00
Invoice MHP-12255-1350		1/6/2015			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$2,163.50
Refer	63990	BOND TRUST SERVICES CORPOR			
Cash Payment	E 301-47029-601 Debt Srv Bond Principal				\$65,000.00
Invoice 23927		12/10/2014			
Cash Payment	E 301-47029-611 Bond Interest				\$30,330.00
Invoice 23927		12/10/2014			
Cash Payment	E 301-47028-601 Debt Srv Bond Principal				\$100,000.00
Invoice 23928		12/10/2014			
Cash Payment	E 301-47028-611 Bond Interest				\$3,640.00
Invoice 23928		12/10/2014			
Cash Payment	E 301-47031-601 Debt Srv Bond Principal				\$95,000.00
Invoice 23929		12/10/2014			
Cash Payment	E 301-47031-611 Bond Interest				\$42,370.00
Invoice 23927		12/10/2014			
Cash Payment	E 301-47028-620 Fiscal Agent s Fees				\$450.00
Invoice 11592		12/10/2014			
Cash Payment	E 301-47031-620 Fiscal Agent s Fees				\$450.00
Invoice 11593		12/10/2014			
Cash Payment	E 301-47024-601 Debt Srv Bond Principal				\$40,000.00
Invoice 24219		1/2/2015			



City of Grand Marais

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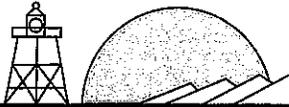
Payments

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Current Period: January 2015

Cash Payment	E 301-47024-611 Bond Interest				\$840.00
Invoice	24219	1/2/2015			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$378,080.00
Refer	63991	COOK COUNTY AUDITOR-TREASU			
Cash Payment	E 101-41610-306 Attorney (Criminal)	2014			\$3,125.00
Invoice	5279	12/20/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$3,125.00
Refer	63992	WTIP			
Cash Payment	E 609-49750-340 Advertising	2014-2015			\$500.00
Invoice	1068	12/10/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$500.00
Refer	63993	GRAND MARAIS AUTO PARTS, INC			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE	2014			\$432.64
Invoice	1713	12/23/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$432.64
Refer	63994	MISSION MANAGEMENT INFO SYS			
Cash Payment	E 101-45100-210 Operating Supplies (GE				\$545.00
Invoice	MANAGERSUPP	1/6/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$545.00
Refer	63995	SMALL ENGINE SALES & SERVICE			
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE	2014			\$2.10
Invoice	6295	1/2/2015			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$2.10
Refer	63996	NINAWORKS!			
Cash Payment	E 101-45100-340 Advertising				\$585.00
Invoice	150420	12/29/2014			
Transaction Date	1/6/2015	MAIN CHECKING G	10100	Total	\$585.00
Refer	64015	GS MEDIA & EVENTS			
Cash Payment	E 101-45100-340 Advertising				\$760.00
Invoice	5373137620	1/7/2015			
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$760.00
Refer	64016	ARROWHEAD ELECTRIC			
Cash Payment	E 613-45125-380 Utility Services (GENER	2014			\$153.00
Invoice	901298	12/31/2014			
Cash Payment	E 613-45125-380 Utility Services (GENER	2014			\$47.00
Invoice	908127	12/31/2014			
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$200.00
Refer	64017	NORTH SHORE WASTE			
Cash Payment	E 101-45100-384 Refuse/Garbage Dispos	2014			\$224.64
Invoice	12849	12/31/2014			
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$224.64
Refer	64018	BUCK S RADIO SHACK			
Cash Payment	E 101-45100-210 Operating Supplies (GE	2014			\$43.80
Invoice	10000981	1/1/2015			
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$43.80



City of Grand Marais

CITY OF GRAND MARAIS Payments

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Current Period: January 2015

Refer	64019	COCA-COLA REFRESHMENTS	-			
Cash Payment	E 609-49750-260	Soft Drinks/Mix For Resa			\$111.20	
Invoice	0678014818	1/7/2015				
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$111.20	
Refer	64020	SUPERIOR BEVERAGES LLP	-			
Cash Payment	E 609-49750-251	Liquor For Resale			\$2,252.40	
Invoice	465147	1/7/2015				
Cash Payment	E 609-49750-333	Freight and Express			\$2.00	
Invoice	465147	1/7/2015				
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$2,254.40	
Refer	64021	WIRTZ BEVERAGE MINNESOTA	-			
Cash Payment	E 609-49750-252	Beer For Resale			\$4,488.50	
Invoice	1080272943	1/6/2015				
Cash Payment	E 609-49750-333	Freight and Express			\$72.83	
Invoice	1080272943	1/6/2015				
Transaction Date	1/8/2015	MAIN CHECKING G	10100	Total	\$4,561.33	
Refer	64025	BERNICKS	-			
Cash Payment	E 609-49750-252	Beer For Resale			\$2,529.60	
Invoice	435175	1/8/2015				
Transaction Date	1/9/2015	MAIN CHECKING G	10100	Total	\$2,529.60	
Refer	64026	JOHNSON BROTHER LIQUOR	-			
Cash Payment	E 609-49750-251	Liquor For Resale			\$1,640.50	
Invoice	5066809	1/7/2015				
Cash Payment	E 609-49750-333	Freight and Express			\$70.28	
Invoice	5066809	1/7/2015				
Transaction Date	1/9/2015	MAIN CHECKING G	10100	Total	\$1,710.78	
Refer	64027	MMUA	-			
Cash Payment	E 101-41900-308	Safety Assistance Progr			\$3,475.00	
Invoice	44331	1/1/2015				
Transaction Date	1/9/2015	MAIN CHECKING G	10100	Total	\$3,475.00	
Refer	64037	MN DEPT OF EMPLY & ECON DEV	-			
Cash Payment	E 101-45100-140	Unemployment Comp (G			\$3,826.97	
Invoice	07972326	1/8/2015				
Cash Payment	E 613-45125-140	Unemployment Comp (G			\$928.00	
Invoice	07972326	1/8/2015				
Transaction Date	1/9/2015	MAIN CHECKING G	10100	Total	\$4,754.97	
Refer	64038	COOK COUNTY VISITORS BUREA	-			
Cash Payment	G 101-20802	Cook County Lodging Tax	2014		\$4,623.49	
Invoice	NOV. 2014	1/8/2015				
Transaction Date	1/9/2015	MAIN CHECKING G	10100	Total	\$4,623.49	



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Payments

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City of Grand Marais

Current Period: January 2015

Fund Summary

	10100 MAIN CHECKING GMSB	
101 GENERAL FUND		\$26,273.70
211 LIBRARY		\$761.49
301 DEBT SERVICE FUND		\$378,080.00
609 MUNICIPAL LIQUOR FUND		\$11,667.31
613 GOLF COURSE		\$1,654.30
		<u>\$418,436.80</u>

Pre-Written Checks	\$6,513.79
Checks to be Generated by the Computer	\$411,923.01
Total	<u>\$418,436.80</u>

City of Grand Marais

MEMO

TO: Mayor Arrowsmith-Decoux
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: January 9, 2015
SUBJECT: 2015 Board Appointments

Citizen Appointments

The following boards have openings for citizen representatives. All terms are for three (3) years unless otherwise noted. Listed below each board are the names applicants or eligible incumbents that expressed an interest in another term received to date. I will update the list at the time of the meeting.

Economic Development Authority (6-year opening)

- Hal Greenwood (incumbent)

Library Board (1-year opening)

- Helen Muth

Park Board (two openings)

- Sally Berg (incumbent)
- Kaye Tavernier
- Tod Sylvester
- Vance Benedix

Planning Commission (two openings)

- Hal Greenwood (incumbent)
- Tod Sylvester

Public Utilities Commission (one opening)

- George Wilkes
- Jesse Derscheid

Council Appointments

You must appoint a Council representative to the following boards.

Board Name	Past Council Representative
Cable Board	Vacant
Economic Development Authority	Bob Spry
Library Board	Jan Sivertson
ARDC Board	Bill Lenz
North Shore Management Board	Bill Lenz
Park Board	Bill Lenz
Personnel Committee	Larry Carlson, Bill Lenz
Planning Commission	Tim Kennedy
Public Utilities Commission	Tim Kennedy
Public Utilities Board	Larry Carlson, Bill Lenz, Jan Sivertson
Safety Committee	Tim Kennedy

The Council has also appointed liaisons to the following boards:

Animal Advocates	Bill Lenz
North House Folk School Liaison	Jan Sivertson
CCLEP	Tim Kennedy
Active Living/Safe Routes to School	Tim Kenney

Acting Mayor

At the first meeting of the year, the City Council appoints one of its members to fill the role of acting mayor. The acting mayor can perform the duties of the mayor in the mayor's absence. The acting mayor in 2014 was Councilor Kennedy.

Council Vacancy

Attached to this packet is a letter of resignation from Councilor Jan Sivertson, who was elected to the County Board. The Council needs to recognize the vacancy, and should discuss how you want to fill it. As the vacancy is less than half of her original term, the Council may appoint a new City Councilor to fill the remaining two years of the term. Potential discussion topics include:

- Process to use to recruit potential new Councilors
- Process to use to evaluate prospective applicants
- Qualities, knowledge, experience, or other attributes to seek

EDA MEMBERSHIP

NAME	1 ST TERM	2 ND TERM
Hal Greenwood	2/11/09-12/31/14	
Mark Sandbo	1/10/07-12/31/12	1/9/13-12/31/18
Bob Spry	Concurrent with City Council term.	

Terms are for six (6) years.

The City appoints three (3) members to the EDA.

LIBRARY BOARD

Council appoints three members from public and one council member to the board.
Terms are for three years. An appointee may only serve two consecutive terms.

NAME	1 ST TERM	2 ND TERM
Jan Siverston	Concurrent w/ City Council Term	
Sally Berg	1/08/14-12/31/16	
Open	1/9/13-12/31/15	
Brienne Moody	1/9/13-12/31/15	

PARK BOARD MEMBERSHIP

NAME	1 ST TERM	2 ND TERM
Reed Dushek	1/08/14-12/31/16	
Robin DuChien	1/14/09-12/31/11	1/12-12/31/14
Sally Berg	-12/31/14	
Walt Mianowski	1/12/10-12/31/12	1/9/13-12/31/15
Bill Lenz	Term concurrent with City Council term.	

Terms are for a period of three (3) years.
Terms are limited to 2 consecutive terms.

PLANNING COMMISSION MEMBERSHIP

NAME	1 ST TERM	2 ND TERM
Ed Bolstad	-12/31/14	
Hal Greenwood	-12/31/14	
David Beckwith	1/12/11-12/31/13	1/08/14-12/31/16
Todd Miller	-12/31/15	
Tim Kennedy	Concurrent with City Council Term	

Terms are three (3) years.
Terms are limited to two (2) consecutive terms.

PUBLIC UTILITIES COMMISSION

The terms for Commissioners on the Public Utilities Commission is three years. They may serve for two consecutive terms.

NAME	1 ST TERM	2 ND TERM
Tim Kennedy	Concurrent with council term	
Adam Harju	1/11/12-12/31/14	
Karl Hansen	1/12/11-12/31/12	1/9/13-12/31/15

LEGAL NEWSPAPER BID FORM

The City of Grand Marais is soliciting bids for the provision of Legal Newspaper services. Please complete this form and return to City Hall by 12:00 p.m. Wednesday, January 14, 2015.

No bids will be considered unless sealed securely in an envelope and filed with the City prior to the time and date above noted. The City Council reserves the right to reject any and all bids.

<u>Type of publishing</u>	<u>Cost per line or Ad Dimension</u>
Legals	\$ _____
General Want Ads	\$ _____

Authorized Bidders Signature

Date

City of Grand Marais

MEMO

TO: Mayor Arrowsmith-Decoux
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: January 9, 2015
SUBJECT: Official City Depository

Please approve the following list of depositories of City funds for 2015.

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

City of Grand Marais

MEMO

TO: Mayor Arrowsmith-Decoux
City Council Members

FROM: Michael J. Roth, City Administrator

DATE: January 9, 2015

SUBJECT: -District Heating Grant Agreement from MN Department of Agriculture
-Contract for Follow-Up Work With FVB

Summary

Attached is a grant agreement from the State of MN Department of Agriculture (MDA) for \$50,000 to fund half of the follow-up work to move the district heating project forward. Please approve this agreement.

Background

In 2014, the City Council hired Gregg Mast, EarthTech Energy, to seek funds for moving the district heating project forward. Greg was successful, with the City being awarded \$50,000 from the MDA and \$50,000 from the Blandin Foundation. \$100,000 pays for a series of next steps outlined in detail in the FVB contract, including developing customer contracts with the initial customers of the system, seeking funding from the State and other sources, and re-bidding the project.

FVB Contract

Also attached is a proposed service contract with FVB to conduct the follow up work. This contract is modified slightly from the version that was included in the last Council meeting agenda. The insurance requirements are set at \$15.M/\$3M per the City Attorney's recommendation. The scope of work now includes a task for local coordination. All of the tasks, the price for each task, the required deliverables, and the timelines are included as Exhibit 1.

STATE OF MINNESOTA GRANT CONTRACT

This grant contract is between the State of Minnesota, acting through its Commissioner of Agriculture, and the Grand Marais Public Utilities Commission, 15 N. Broadway, P.O. Box 600, Grand Marais, Minnesota (Grantee).

Recitals

1. Under Minn. Stat. § 41A.105, the State is empowered to enter into this grant.
2. The State is in need of research and development of advanced bioenergy and biochemical projects.
3. The Grantee represents that it is duly qualified and agrees to perform all services described in this grant contract to the satisfaction of the State.

Grant Contract

1 Term of Grant Contract

1.1 **Effective date:** April 1, 2014, or the date the State obtains all required signatures under Minnesota Statutes Section 16C.05, subdivision 2, whichever is later.

The Grantee must not begin work under this grant contract until this contract is fully executed and the Grantee has been notified by the State's Authorized Representative to begin the work.

1.2 **Expiration date:** June 30, 2017, or until all obligations have been satisfactorily fulfilled, whichever occurs first.

1.3 **Survival of Terms.** The following clauses survive the expiration or cancellation of this grant contract: 8. Liability; 9. State Audits; 10. Government Data Practices and Intellectual Property; 13. Publicity and Endorsement; 14. Governing Law, Jurisdiction, and Venue; and 16 Data Disclosure.

2 Grantee's Duties

The Grantee, who is not a state employee, will perform the work as indicated in the work plan, which is attached and incorporated into this contract as Attachment A. The Grantee will submit quarterly reports to the Commissioner of Agriculture describing the status of work tasks outlined in Attachment A, as well as any changes in scope, schedule, or cost of the work. Reports must be submitted by the following dates: : July 25, 2014; October 31, 2014; January 30, 2015; April 24, 2015, July 31, 2015, October 30, 2015, January 29, 2016, April 29, 2016, July 29, 2016, October 28, 2016, January 27, 2017, April 28, 2017 and July 28, 2017. The state may withhold funds or require changes if quarterly reports do not include the required information or are not submitted by the dates specified in this contract.

3 Time

The Grantee must comply with all the time requirements described in this grant contract. In the performance of this grant contract, time is of the essence.

4 Consideration and Payment

4.1 **Consideration.** The State will pay for all services performed by the Grantee under this grant contract as follows:

(1) **Compensation.** The State will pay the Grantee a total of \$50,000.00.

(2) **Travel Expenses.** Reimbursement for travel and subsistence expenses actually and necessarily incurred by the Grantee as a result of this grant contract will not exceed \$0.00; provided that the Grantee will be reimbursed for travel and subsistence expenses in the same manner and in no greater amount than provided in the current "Commissioner's Plan" promulgated by the commissioner of Employee Relations. The Grantee will not be reimbursed for travel and

subsistence expenses incurred outside Minnesota unless it has received the State's prior written approval for out of state travel. Minnesota will be considered the home state for determining whether travel is out of state.

(3) **Total Obligation.** The total obligation of the State for all compensation and reimbursements to the Grantee under this grant contract will not exceed \$50,000.00.

4.2. **Payment**

(1) **Invoices.** The State will promptly pay the Grantee after the Grantee presents an itemized invoice for the services actually performed and the State's Authorized Representative accepts the invoiced services. Invoices must be submitted timely and according to the following schedule: : April 24, 2015, July 31, 2015, October 30, 2015, January 29, 2016, April 29, 2016, July 29, 2016, October 28, 2016, January 27, 2017, April 28, 2017 and July 28, 2017.

(2) **Final payment.** The State will withhold the 10% total grant allotment pending the submission of the Grantees final report and invoice.

4.3. **Budget Subcategories.** Up to 10% of the Grantee's budget may be moved between budget subcategories **upon notice to and written approval by MDA.** To move more than 10% from one subcategory to another will require an amendment to the Grant Contract.

5 **Conditions of Payment**

All services provided by the Grantee under this grant contract must be performed to the State's satisfaction, as determined at the sole discretion of the State's Authorized Representative and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations. The Grantee will not receive payment for work found by the State to be unsatisfactory or performed in violation of federal, state, or local law.

6 **Authorized Representative**

The State's Authorized Representative is Kevin Hennessy (Bioenergy Manager, Agricultural Marketing and Development, Minnesota Department of Agriculture; 625 Robert Street North, St. Paul, MN, 55155; 651-201-6223), or their successor, and has the responsibility to monitor the Grantee's performance and the authority to accept the services provided under this grant contract. If the services are satisfactory, the State's Authorized Representative will certify acceptance on each invoice submitted for payment.

The Grantee's Authorized Representative is Karl Hansen (Chair; 15 N. Broadway, P.O. Box 600, Grand Marais, Minnesota 55604; 218-387-1848). If the Grantee's Authorized Representative changes at any time during this grant contract, the Grantee must immediately notify the State.

7 **Assignment, Amendments, Waiver, and Grant Contract Complete**

7.1 **Assignment.** The Grantee may neither assign nor transfer any rights or obligations under this grant contract without the prior consent of the State and a fully executed Assignment Agreement, executed and approved by the same parties who executed and approved this grant contract, or their successors in office.

7.2 **Amendments.** Any amendment to this grant contract must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original grant contract, or their successors in office.

7.3 **Waiver.** If the State fails to enforce any provision of this grant contract, that failure does not waive the provision or its right to enforce it.

7.4 **Grant Contract Complete.** This grant contract contains all negotiations and agreements between the

State and the Grantee. No other understanding regarding this grant contract, whether written or oral, may be used to bind either party.

8 Liability

The Grantee must indemnify, save, and hold the State, its agents, and employees harmless from any claims or causes of action, including attorney's fees incurred by the State, arising from the performance of this grant contract by the Grantee or the Grantee's agents or employees. This clause will not be construed to bar any legal remedies the Grantee may have for the State's failure to fulfill its obligations under this grant contract.

9 State Audits

Under Minn. Stat. § 16C.05, subd. 5, the Grantee's books, records, documents, and accounting procedures and practices relevant to this grant contract are subject to examination by the State and/or the State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end of this grant contract.

10 Government Data Practices and Intellectual Property

10.1. **Government Data Practices.** The Grantee and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant contract. The civil remedies of Minn. Stat. § 13.08 apply to the release of the data referred to in this clause by either the Grantee or the State.

If the Grantee receives a request to release the data referred to in this Clause, the Grantee must immediately notify the State. The State will give the Grantee instructions concerning the release of the data to the requesting party before the data is released.

10.2. **Intellectual Property Rights.** The Grantee shall own all rights, title, and interest in all of the intellectual property rights, including copyrights, patents, trade secrets, trademarks, and service marks in the WORKS and DOCUMENTS. WORKS shall mean all inventions, improvements, or discoveries (whether or not patentable), databases, computer programs, reports, notes, studies, photographs, negatives, designs, drawings, specifications, materials, tapes, and disks, conceived, reduced to practice, created, or originated by the Grantee, its employees, and subcontractors, either individually or jointly with others, in the performance of this Contract. WORKS shall include the DOCUMENTS. The DOCUMENTS are the originals of any databases, computer programs, reports, notes, or other materials and documents, whether intangible or electronic forms, prepared by the Grantee, its employees, or subcontractors, in the performance of this Contract. The DOCUMENTS shall be the exclusive property of the Grantee. The State agrees to, and hereby does, assign all rights, title, and interest it may have in the WORKS and the DOCUMENTS to the GRANTEE. The State shall, at the request of the Grantee, execute all papers and perform all other acts necessary to transfer or record the Grantee's ownership interest in the WORKS and DOCUMENTS.

(1) **Obligations.** The Grantee represents and warrants to the State that the WORKS and DOCUMENTS do not and shall not infringe upon any intellectual property rights of others. The Grantee shall indemnify, defend, and hold harmless the State, at Grantee's expense, from any action or claim brought against the State to the extent that it is based on a claim that all or part of the WORKS or DOCUMENTS infringe upon intellectual property rights of others. The Grantee shall be responsible for payment of any and all such claims, demands, obligations, liabilities,

costs, and damages including, but not limited to, attorney fees. If such a claim or action arises, or in the Grantee's or the State's opinion is likely to arise, the Grantee shall, at the State's discretion, either procure for the State the right or license to use the intellectual property rights at issue or replace or modify the allegedly infringing WORKS or DOCUMENTS as necessary and appropriate to obviate the infringement claim. This remedy of the State shall be in addition to and shall not be exclusive to other remedies provided by law.

(2) **Survivability.** The rights and duties of the State and the Grantee, provided for above, shall survive the expiration or cancellation of this Contract.

11 Workers' Compensation

The Grantee certifies that it is in compliance with Minn. Stat. § 176.181, subd. 2, pertaining to workers' compensation insurance coverage. The Grantee's employees and agents will not be considered State employees. Any claims that may arise under the Minnesota Workers' Compensation Act on behalf of these employees and any claims made by any third party as a consequence of any act or omission on the part of these employees are in no way the State's obligation or responsibility.

12 Publicity and Endorsement

12.1 **Publicity.** Any publicity regarding the subject matter of this grant contract must identify the State as the sponsoring agency and must not be released without prior written approval from the State's Authorized Representative. For purposes of this provision, publicity includes notices, informational pamphlets, press releases, research, reports, signs, and similar public notices prepared by or for the Grantee individually or jointly with others, or any subcontractors, with respect to the program, publications, or services provided resulting from this grant contract.

12.2 **Endorsement.** The Grantee must not claim that the State endorses its products or services.

13 Governing Law, Jurisdiction, and Venue

Minnesota law, without regard to its choice-of-law provisions, governs this grant contract. Venue for all legal proceedings out of this grant contract, or its breach, must be in the appropriate state or federal court with competent jurisdiction in Ramsey County, Minnesota.

14 Termination

The State may cancel this grant contract at any time, with or without cause, upon 30 days' written notice to the Grantee. Upon termination, the Grantee will be entitled to payment, determined on a pro rata basis, for services satisfactorily performed.

15 Data Disclosure

Under Minn. Stat. § 270.66, and other applicable law, the Grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring the Grantee to file state tax returns and pay delinquent state tax liabilities, if any.

1. STATE ENCUMBRANCE VERIFICATION

Individual certifies that funds have been encumbered as required by Minn. Stat. §§ 16A.15 and 16C.05.

Signed: _____

Date: _____

CFMS Grant contract No. B-_____

2. GRANTEE

The Grantee certifies that the appropriate person(s) have executed the grant contract on behalf of the Grantee as required by applicable articles, bylaws, resolutions, or ordinances.

By: _____

Title: _____

Date: _____

By: _____

Title: _____

Date: _____

3. STATE AGENCY

By: _____

(with delegated authority)

Title: _____

Date: _____

Distribution:

Agency

Grantee

State's Authorized Representative - Photo Copy

**Minnesota Department of
Agriculture Grant Contract
Attachment "A"**

Grand Marais Work Plan, Budget and Schedule

Dec. 30, 2014

Grantee: City of Grand Marais, MN
 All work contracted to FVB Energy Inc.

All matching funds for the Next Gen funding is provided as a cash grant from the Blandin Foundation.

Categories	Steps	Task Description	Costs			Funding Sources		
			Labor	Expenses *	Total	MIN Dept. of Agriculture	Cash Match (Blandin Foundation)	
Customer Contracts	1	Meet with key potential initial Customers regarding the District Heating Service Proposal to assess potential willingness to accept the contract terms and value proposition.	\$17,860	\$ 1,800	\$ 19,660		\$ 19,660	
Financing	2	Identify and assess potential new sources of grant funding, including foundations.	\$ 4,840		\$ 4,840		\$ 4,840	
Financing	3	Follow up with legislative leaders, IRRRB, U.S. Department of Agriculture, U.S. Department of Energy, Minnesota Department of Natural Resources and Minnesota Department of Commerce regarding potential grant or low-interest loan funding.	\$10,720		\$ 10,720		\$ 10,720	
Financing	4	Develop a revised financing plan which incorporates potential grant funding and debt financing from low-interest loans, Revenue Bonds or other loan sources.	\$ 9,400		\$ 9,400		\$ 9,400	
Local Coordination & Communication	5	Coordinate stakeholder meetings and provide communications outreach regarding the project with stakeholders.	\$ 8,000		\$ 8,000	\$ 4,420	\$ 3,580	
Customer Contracts	6	Meet with key potential initial Customers obtain a signed Thermal Energy Service Agreement contingent on financing.	\$16,800	\$ 1,800	\$ 18,600	\$ 16,800	\$ 1,800	
Financing	7	Develop a revised Bonding Bill request.	\$ 5,520		\$ 5,520	\$ 5,520		
Rebidding	8	Re-bid the Distribution Piping System (DPS) to obtain competitive bids.	\$10,740		\$ 10,740	\$ 10,740		
Rebidding	9	Re-bid the plant to obtain complete bids.	\$ 5,620		\$ 5,620	\$ 5,620		
Rebidding	10	Re-bid the building conversion and ETs.	\$ 6,900		\$ 6,900	\$ 6,900		
Total					\$100,000	\$ 50,000	\$ 50,000	

* Expenses \$600 per trip. 6 trips budgeted.

Budget Summary

	Project Costs			Funding Sources		
	Labor	Expenses	Total	MN Dept. of Agriculture	Cash Match (Blandin Foundation)	
Customer Contracts	\$34,660	\$ 3,600	\$ 38,260	\$ 16,800	\$ 21,460	
Financing	\$24,960	\$ -	\$ 30,480	\$ 5,520	\$ 24,960	
Rebidding	\$23,260	\$ -	\$ 23,260	\$ 23,260	\$ -	
Local Coordination & Communication	\$ 8,000	\$ -	\$ 8,000	\$ 4,420	\$ 3,580	
Total	\$82,880	\$ 3,600	\$100,000	\$ 50,000	\$ 50,000	

Schedule

Task	2015												2016							
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
1																				
2																				
3																				
4																				
5																				
6																				
7																				
8																				
9																				
10																				

CONSULTANT SERVICE CONTRACT

This Contract, made this 14th day of January 2015, by and between the CITY OF GRAND MARAIS, MINNESOTA, a Minnesota municipal corporation, 15 N. Broadway Ave., Grand Marais, MN 55604, ("CITY"), and FVB Energy Inc., a Minnesota corporation, ("CONSULTANT"), (collectively the "PARTIES").

WHEREAS, CITY requires various professional engineering and technical services; and

WHEREAS, CONSULTANT agrees to furnish the various professional engineering and technical services required by CITY.

NOW, THEREFORE, in consideration of the mutual covenants and promises contained herein, the Parties agree as follows:

SECTION I – CONSULTANT'S SERVICES AND RESPONSIBILITIES

- A. **Scope of Services.** CONSULTANT agrees to perform various professional engineering and technical services as requested by CITY and as generally described in Exhibit 1, Scope of Services, attached hereto and incorporated herein by reference.
- B. **Grants.** CITY has been awarded a grant of \$50,000 from the Blandin Foundation, and a \$50,000 grant from the MN Department of Agriculture to fund CONSULTANT professional services. All work must be done in compliance with applicable grant requirements. Work shall not commence until grant agreements are in place.
- C. **Schedule.** Both the CONSULTANT and the CITY will put forth reasonable efforts to complete their respective duties in a timely manner as described in Exhibit 1.

Because the CONSULTANT's performance must be rendered with due diligence and be governed by sound professional practices, the CONSULTANT is not responsible for delays occasioned by unforeseen circumstances or factors beyond its control.

- D. **Standard of Care.** Professional services provided by CONSULTANT or its subcontractors and/or sub-consultants under this Contract will be conducted in a manner consistent with that level of care, skill and diligence ordinarily exercised by members of CONSULTANT's profession.
- F. **Insurance.**
 - 1. CONSULTANT agrees to maintain, at CONSULTANT's expense, a professional liability insurance policy for its negligent acts, errors or omissions in the performance of professional services with limits of at least \$1,500,000 per occurrence and \$3,000,000 annual aggregate on a claims-made basis.
 - 2. CONSULTANT agrees to maintain, at CONSULTANT's expense, statutory

worker's compensation and employer's liability insurance coverage.

3. CONSULTANT agrees to maintain, at CONSULTANT's expense, commercial general liability insurance coverage insuring CONSULTANT against claims for bodily injury, death or property damage arising out of CONSULTANT's general business activities (including automobile use). The liability insurance policy shall provide coverage in the minimum amount of \$1,500,000 per occurrence and \$3,000,000 general aggregate.
4. CONSULTANT will not cancel any insurance policy required in this Contract until thirty days after providing the CITY written notice.
5. True, accurate and current certificates of insurance, showing evidence of the required insurance coverages, are hereby provided to CITY by CONSULTANT and are attached hereto as Exhibit 2.
6. CITY reserves the right to rescind the Contract or any agreement for a Project not in compliance with these requirements and retains all rights thereafter to pursue any legal remedies.

SECTION II – CITY'S RESPONSIBILITIES

- A. CITY shall promptly compensate CONSULTANT as services are performed to the satisfaction of the designated CITY contact person for the Project in accordance with Section III of this Contract.
- B. CITY shall provide access to any and all previously acquired information relevant to the scope of services for the Project in its custody to CONSULTANT for its use, at CONSULTANT's request.
- C. CITY will, to the fullest extent possible, grant access to and make all provisions for entry upon both public and private property as necessary for CONSULTANT's performance of the services for the Project.
- D. Mike Roth, CITY's City Administrator, shall serve as the general contact/liason person to act as CITY's representative with respect to services to be rendered under this Contract. Said representative shall have the authority to transmit instructions, receive instructions, receive information, interpret and define CITY'S policies with respect to the CONSULTANT's services.

Such person shall be the primary contact person between CITY and CONSULTANT with respect to the services from CONSULTANT under this Contract. CITY reserves the right to substitute the authorized contact person for this Contract or any Project at any time and shall notify CONSULTANT thereof.

SECTION III – CONSIDERATION

- A. CITY will compensate CONSULTANT as detailed in Exhibit 3, Compensation, which is attached hereto and incorporated herein by reference, for CONSULTANT's performance of services under this Contract. In no case shall compensation exceed \$100,000.

SECTION IV – TERM AND TERMINATION

- A. **Term.** This Contract shall remain in force and effect from January 14, 2015 through August 31, 2016, unless otherwise terminated sooner as provided herein.
- B. **Termination.** Notwithstanding anything to the contrary herein, this Contract may be terminated by either party for any reason or for convenience by either party upon thirty (30) days written notice. In the event of termination, CITY shall be obligated to CONSULTANT for payment of amounts due and owing including payment for services performed or furnished to the date and time of termination, computed in accordance with Section III of this Contract.
- C. **Default.** If CONSULTANT fails to perform any of the provisions of this Contract or so fails to administer the services detailed in Exhibit 1 or for any Project, in such a manner as to endanger the performance of the Contract or Project, this shall constitute default. Unless CONSULTANT's default is excused by CITY, CITY may, upon written notice, immediately cancel this Contract or exercise any other rights or remedies available to CITY under this Contract or law.
- D. **Suspension of Work.** If any work performed by CONSULTANT is abandoned or suspended in whole or in part by CITY, CONSULTANT shall be paid for any services performed to the satisfaction of the CITY prior to CONSULTANT's receipt of written notice from CITY of such abandonment or suspension

SECTION V – INDEMNIFICATION

- A. CONSULTANT shall indemnify, protect, save, hold harmless and insure CITY, and its respective officers, directors, employees and members and agents, from and against any and all claims and demands for, or litigation with respect to, all damages which may arise out of or be caused by CONSULTANT or its agents, employees, contractors, subcontractors, or sub-consultants with respect to CONSULTANT's performance of its obligations under this Contract and each respective Project. CONSULTANT shall defend CITY against the foregoing, or litigation in connection with the foregoing, at CONSULTANT's expense, with counsel reasonably acceptable to CITY. CITY, at its expense, shall have the right to participate in the defense of any Claims or litigation and shall have the right to approve any settlement, which approval shall not be unreasonably withheld. The indemnification provision of this Section shall not apply to damages or other losses proximately caused by or resulting from the negligence or willful misconduct of CITY. All indemnification obligations shall survive termination, expiration or

cancellation of this Contract.

- B. Nothing contained in this Contract shall create a contractual relationship with or a cause of action in favor of a third party against CITY or CONSULTANT. CONSULTANT's services under this Contract are being performed solely for CITY's benefit, and no other entity shall have any claim against CONSULTANT because of this Contract or the performance or nonperformance of services provided hereunder.

SECTION VI – GENERAL TERMS

- A. **Voluntary and Knowing Action.** The PARTIES, by executing this Contract, state that they have carefully read this Contract and understand fully the contents thereof; that in executing this Contract they voluntarily accept all terms described in this Contract without duress, coercion, undue influence, or otherwise, and that they intend to be legally bound thereby.
- B. **Authorized Signatories.** The PARTIES each represent and warrant to the other that (1) the persons signing this Contract are authorized signatories for the entities represented, and (2) no further approvals, actions or ratifications are needed for the full enforceability of this Contract against it; each party indemnifies and holds the other harmless against any breach of the foregoing representation and warranty.
- C. **Dispute Resolution.** CITY and CONSULTANT agree to negotiate all disputes between them in good faith for a period of 30 days from the date of notice of dispute prior to proceeding to formal dispute resolution or exercising their rights under law. Any claims or disputes unresolved after good faith negotiations shall first be submitted to mediation utilizing the Minnesota District Court Rule 114 Roster. CONSULTANT and CITY agree to require an equivalent dispute resolution process governing all contractors, subcontractors, subconsultants, suppliers, consultants, and fabricators concerned with the Project.
- D. **Electronic/Digital Data.** Because of the potential instability of electronic/digital data and susceptibility to unauthorized changes, copies of documents that may be relied upon by CITY are limited to the printed copies (also known as hard copies) that are signed or sealed by CONSULTANT. Except for electronic/digital data which is specifically identified as a project deliverable by this AGREEMENT or except as otherwise explicitly provided in this Contract, all electronic/digital data developed by CONSULTANT as part of the project is acknowledged to be an internal working document for CONSULTANT'S purposes solely and any such information provided to CITY shall be on an "As Is" basis strictly for the convenience of CITY without any warranties of any kind. In the event of any conflict between a hard copy document and the electronic/digital data, the hard copy document governs. The electronic/digital data shall be prepared in the current software in use by the CONSULTANT and is not warranted to be compatible with other systems or software.
- E. **Opinions or Estimates of Construction Cost.** Where provided by the CONSULTANT

as part of Exhibit 1 or otherwise, opinions or estimates of construction cost will generally be based upon public construction cost information. Since the CONSULTANT has no control over the cost of labor, materials, competitive bidding process, weather conditions and other factors affecting the cost of construction, all cost estimates are opinions for general information of the CITY and the CONSULTANT does not warrant or guarantee the accuracy of construction cost opinions or estimates. The CITY acknowledges that costs for project financing should be based upon contracted construction costs with appropriate contingencies.

F. **Notices.** The PARTIES' representatives for notification for all purposes are:

CITY:

Mike Roth, City Administrator
City of Grand Marais
15 N. Broadway Ave.
Grand Marais, MN 55604207 Lafayette Street
218-387-1848 (phone)
218-387-1966 (fax)
cityhall@boreal.org

CONSULTANT:

FVB Energy Inc.
222 South Ninth St.
Suite 825
Minneapolis MN 55402
612-607-4544 (phone)
612-338-3427 (fax)
mispurr@fvbenergy.com

G. **Independent Contractor Status.** CONSULTANT, at all times and for all purposes hereunder, shall be an independent contractor and is not an employee of CITY for any purpose. No statement contained in this Contract shall be construed so as to find CONSULTANT to be an employee of CITY, and CONSULTANT shall not be entitled to any of the rights, privileges, or benefits of employees of CITY, including but not limited to, workers' compensation, health/death benefits, and indemnification for third-party personal injury/property damage claims.

CONSULTANT acknowledges that no withholding or deduction for State or Federal income taxes, FICA, FUTA, or otherwise, will be made from the payments due CONSULTANT, and that it is CONSULTANT's sole obligation to comply with the applicable provisions of all Federal and State tax laws.

CONSULTANT shall at all times be free to exercise initiative, judgment and discretion as to how to best perform or provide services identified herein.

CONSULTANT is responsible for hiring sufficient workers to perform the

services/duties required by this Contract, withholding their taxes and paying all other employment tax obligations on their behalf.

- H. **Acceptance of Deliverables.** Each deliverable shall be subject to a verification of acceptability by CITY to ensure such deliverable satisfies stated requirements. The acceptability of any deliverable will be based on CITY's satisfaction or non-satisfaction with the deliverable based on requirements of this Contract and the Project. If any deliverable is not acceptable, CITY will notify CONSULTANT specifying reasons in reasonable detail, and CONSULTANT will, at no additional cost, conform the deliverable to stated requirements of this Contract and the Project.
- I. **Subcontracting.** CONSULTANT shall not enter into any subcontract for performance of any services contemplated under this Contract without the prior written approval of CITY. CONSULTANT shall be responsible for the performance of all subcontractors and/or sub-consultants.
- J. **Assignment.** This Contract may not be assigned by either Party without the written consent of the other Party.
- K. **Modifications/Amendment.** Any alterations, variations, modifications, amendments or waivers of the provisions of this Contract shall only be valid when they have been reduced to writing, and signed by authorized representative of the CITY and CONSULTANT.
- L. **Records—Availability and Retention.** Pursuant to Minn. Stat. § 16C.05, subd. 5, CONSULTANT agrees that CITY, the State Auditor, or any of their duly authorized representatives at any time during normal business hours and as often as they may reasonably deem necessary, shall have access to and the right to examine, audit, excerpt, and transcribe any books, documents, papers, records, etc., which are pertinent to the accounting practices and procedures of CONSULTANT and involve transactions relating to this Contract.

CONSULTANT agrees to maintain these records for a period of six years from the date of termination of this Contract.
- M. **Force Majeure.** The PARTIES shall each be excused from performance under this Contract while and to the extent that either of them are unable to perform, for any cause beyond its reasonable control. Such causes shall include, but not be restricted to fire, storm, flood, earthquake, explosion, war, total or partial failure of transportation or delivery facilities, raw materials or supplies, interruption of utilities or power, and any act of government or military authority. In the event either party is rendered unable wholly or in part by force majeure to carry out its obligations under this Contract then the party affected by force majeure shall give written notice with explanation to the other party immediately.
- N. **Compliance with Laws.** CONSULTANT shall abide by all Federal, State and local

laws, statutes, ordinances, rules and regulations now in effect or hereinafter adopted pertaining to this Contract or to the facilities, programs and staff for which CONSULTANT is responsible.

- O. **Covenant Against Contingent Fee.** CONSULTANT warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for CONSULTANT to solicit or secure this Contract, and that it has not paid or agreed to pay any company or person, other than a bona fide employee, any fee, commission, percentage, brokerage fee, gift or any other consideration, contingent upon or resulting from award or making of this Contract.
- P. **Covenant Against Vendor Interest.** CONSULTANT warrants that it is not employed by any vendor of equipment or service provider that could result in a commission, percentage, brokerage, or contingent fee as a result of CONSULTANT's association with the CITY.
- Q. **Non-Discrimination.** The provisions of any applicable law or ordinance relating to civil rights and discrimination shall be considered part of this Contract as if fully set forth herein.
- R. **Interest by City Officials.** No elected official, officer, or employee of CITY shall during his or her tenure or employment and for one year thereafter, have any interest, direct or indirect, in this Contract or the proceeds thereof.
- S. **Work Product.** All materials such as reports, exhibits, models, graphics, computer files, maps, charts, and supporting documentation produced under work authorized by this Contract ("Materials") shall become the property of CITY upon completion of the work. CITY may use the information for the project for which they were prepared. Such use by CITY shall not relieve any liability on the part of CONSULTANT. Notwithstanding any of the foregoing to the contrary; (a) CONSULTANT may reuse standard details of its Materials in the normal course of its business; and (b) CITY understands that the Materials have been prepared for a specific project, and are not intended to be reused for other purposes. If CITY reuses the Materials for any other purpose, CITY waives any claims against CONSULTANT arising from such reuse and agrees to defend and indemnify CONSULTANT from any claims arising from such reuse.
- T. **Governing Law.** This Contract shall be deemed to have been made and accepted in Cook County, Minnesota, and the laws of the State of Minnesota shall govern any interpretations or constructions of the Contract without regard to its choice of law or conflict of laws principles.
- U. **Data Practices.** The PARTIES acknowledge that this Contract is subject to the requirements of Minnesota's Government Data Practices Act, Minnesota Statutes, Section 13.01 *et seq.*
- V. **No Waiver.** Any Party's failure in any one or more instances to insist upon strict performance of any of the terms and conditions of this Contract or to exercise any right

herein conferred shall not be construed as a waiver or relinquishment of that right or of that Party's right to assert or rely upon the terms and conditions of this Contract. Any express waiver of a term of this Contract shall not be binding and effective unless made in writing and properly executed by the waiving Party.

- W. **Severability.** The invalidity or unenforceability of any provision of this Contract shall not affect the validity or enforceability of any other provision. Any invalid or unenforceable provision shall be deemed severed from this Contract to the extent of its invalidity or unenforceability, and this Contract shall be construed and enforced as if the Contract did not contain that particular provision to the extent of its invalidity or unenforceability.
- X. **Entire Contract.** These terms and conditions constitute the entire Contract between the PARTIES regarding the subject matter hereof. All discussions and negotiations are deemed merged in this Contract.
- Y. **Headings and Captions.** Headings and captions contained in this Contract are for convenience only and are not intended to alter any of the provisions of this Contract and shall not be used for the interpretation of the validity of the Contract or any provision hereof.
- Z. **Survivability.** All covenants, indemnities, guarantees, releases, representations and warranties by any Party or PARTIES, and any undischarged obligations of CITY and CONSULTANT arising prior to the expiration of this Contract (whether by completion or earlier termination), shall survive such expiration.
- AA. **Construction Observation.** CONSULTANT shall visit the project at appropriate intervals during construction to become familiar with the progress and quality of the contractors' work and to determine if the work is proceeding in general accordance with the Project plans and specifications, and shall be responsible for notifying CITY of any errors or omissions in contractor's work or any deviations in the contractor's work from the Project plans and specifications developed by CONSULTANT.
- BB. **Americans with Disabilities Act.** The CONSULTANT shall use reasonable professional effort and judgment in interpreting and advising the CITY as to the necessary requirements for the Project to comply with the Americans with Disabilities Act (ADA). The CONSULTANT does not warrant or guarantee that the Project will fully comply with interpretations of ADA requirements by regulatory or judicial bodies.
- CC. **Damage to Property.** If the scope of CONSULTANT's services includes borings or other work that may damage the worksite, CITY understands that some damage may occur to the Project property during the normal course of work, that CONSULTANT has not included in its fee the cost of restoration of damage, and that CITY will pay for such restoration of damage, except in those cases where it is demonstrated that CONSULTANT has failed to exercise reasonable care to minimize damage.

SECTION VII –SIGNATURES

IN WITNESS WHEREOF, the PARTIES have hereunto executed this document the day and year first above written.

**CONSULTANT:
FVB ENERGY, INC.**

By: _____
(Signature)

Date: _____

Title: Principal

Print Name: Mark Spurr

**CITY:
CITY OF GRAND MARAIS, MN**

By: _____
_____, Its Mayor

Date: _____

By: _____
Mike Roth, Its City Administrator

Date: _____

EXHIBIT 1

SCOPE OF SERVICES

Subject to the terms of this Contract, CONSULTANT may be called upon by CITY to perform professional engineering and technical services for CITY. The Scope of Services shall include the tasks described below, for which CITY contracts with CONSULTANT.

Activity	Task #	Task Description	Cost	Deliverables
Customer Contracts	1	Meet with all potential Initial Customers that have been considered by the City regarding the District Heating Service Proposal to assess potential willingness to accept the contract terms and value proposition.	\$19,660	-customer meetings held with proposed service contracts delivered by 2/28/15 -customer statement of interest or no interest received by 3/31/15 -statement of no interest identifies factors that would result in a statement of interest
Financing	2	Identify and assess potential new sources of grant funding, including foundations.	\$4,840	-new funding source list created by 3/31/15
Financing	3	Follow up with legislative leaders, IRRRB, U.S. Department of agriculture, U.S. Department of Energy, MN DNR, and MN Department of Commerce regarding potential grant or low-interest loan funding.	\$10,720	-meetings held with potential funding agencies by 4/30/15 -list of funding opportunities created by 4/30/15
Financing	4	Develop a revised financing plan which incorporates potential grant funding and debt financing from low-interest loans, revenue bonds, or other loan sources.	\$9,400	-feasible financing plan created by 4/30/15
Local Coordination & Communication	5	Coordinate local stakeholder meetings and provide communications outreach regarding the project with stakeholders.	\$8,000	-communication plan created by 1/30/15 -communication plan implemented
Customer Contracts	5	Meet with all potential Initial Customers currently under consideration and obtain signed Thermal Energy Service Agreement contingent on City Financing the project.	\$18,600	-Signed agreements received by 5/31/15 (to the extent achievable; contractor cannot guarantee action by others)
Bonding Bill Request	6	Develop and submit a revised Bonding Bill request.	\$5,520	-Bonding bill request submitted by 6/30/15
Rebidding	7	Re-bid the Distribution piping system to obtain competitive bids.	\$10,740	-Bids received for DPS by 8/31/16
Rebidding	8	Re-bid the plant to obtain complete bids.	\$5,620	-Complete bids received for plant by 8/31/16.
Rebidding	9	Re-bid the building conversion and ETSS.	\$6,900	-Bids received by 8/31/16

EXHIBIT 2

CERTIFICATES OF REQUIRED INSURANCE COVERAGES

[Certificates of Insurance attached hereto]

EXHIBIT 3

COMPENSATION

Subject to the limitations set forth in this Exhibit, CITY will compensate CONSULTANT for the performance of services for CITY on an on-call/project basis under this Contract, as follows:

1. **Compensation.** CITY shall make periodic payment to CONSULTANT upon billing at intervals not more often than monthly at the amounts specified in EXHIBIT 1 for each task based upon the completion of the task and deliverables by CONSULTANT to the satisfaction of the CITY. CONSULTANT will submit monthly invoices to CITY for services rendered in the prior month. Invoices will include statements itemizing services rendered by CONSULTANT for the prior month for each task as described in EXHIBIT 1 indicating the percent of task completed, the total amount of the contract earned, and the current amount due. CITY will pay the invoice of CONSULTANT within thirty (30) days or less of its receipt by CITY.

If CITY fails to make any payment due CONSULTANT for services performed to the satisfaction of the CITY and expenses within thirty days after the date of CONSULTANT's invoice, CONSULTANT may, after giving seven days written notice to CITY, and without waiving any claim or right against CITY and without incurring liability whatsoever to CITY, suspend services and withhold Project deliverables due under this Contract until CONSULTANT has been paid in full all amounts due for services, expenses and charges.

CITY OF GRAND MARAIS
CITY COUNCIL RESOLUTION 2015-01

A RESOLUTION AGREEING TO MAINTAIN TAP FUNDED FACILITY

WHEREAS, The Federal Highway Administration (FHWA) requires that states agree to operate and maintain facilities constructed with federal transportation funds for the useful life of the improvement and not change the use of right of way or property ownership acquired without prior approval from the FHWA; and

WHEREAS, Transportation Alternatives projects receive federal funding; and

WHEREAS: the Minnesota Department of Transportation (MnDOT) has determined that for projects implemented with alternative funds, this requirement should be applied to the project proposer; and

WHEREAS, The City of Grand Marais the sponsoring agency for the Transportation Alternatives project identified as Highwya 61 Redesign.

THEREFORE BE IT RESOLVED THAT the sponsoring agency hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned Transportation Alternatives project.

NOW THEREFORE BE IT RESOLVED, the Grand Marais City Council hereby agrees to assume full responsibility for the operation and maintenance of property and facilities related to the aforementioned Transportation Alternatives project

Passed by the City Council of the City of Grand Marais, Minnesota this 14th day of January, 2015.

(SEAL)

Mayor Jay Arrowsmith-Decoux

ATTEST:

Michael J. Roth
City Administrator

City of Grand Marais

MEMO

TO: Mayor Arrowsmith-Decoux
City Council Members
FROM: Michael J. Roth, City Administrator
DATE: January 9, 2015
SUBJECT: Asset and Energy Management Quote for City Hall

In late 2014 CCLEP hosted local representatives from the County, school, and local businesses to a seminar put on by CR-BPS and St. Louis County to evaluate using an asset and energy management tool to manage buildings. The tool allows you to consider building component condition, energy efficiency, operating and maintenance costs to plan for building improvements. I and Len Bloomquist, Property Maintenance Supervisor, attended and thought that we should try the service out on City Hall, a building with its share of condition issues.

Attached is the quote from CR-BPS to provide this service, as well as a detailed scope of work.



December 24, 2014

RE: Asset and Energy Management Program
City of Grand Marais, MN – City Hall

Mike Roth, ICMA-CM
City Administrator
City of Grand Marais

Dear Mr. Roth,

CR-Building Performance Specialists, Inc. (CR-BPS) is pleased to submit this proposal letter to provide the City of Grand Marais with an Asset and Energy Management Program (AEMP) – City Hall Pilot Project - that supports your organization's facility investment, energy efficiency, carbon reduction and capital planning goals.

We greatly appreciate the opportunity to work with you, and to test this dynamic program on the City Hall. The proposed fee for the scope of services, collecting new/confirming existing facility and energy data, and subsequent Ideas Sessions for the Asset and Energy Management Program (AEMP) is as follows.

PROJECT UNDERSTANDING

The City of Grand Marais would like to implement a pilot AEMP project using the City Hall to test how the AEMP may support the City's organizational goals and long-term facility capital investment needs. The City Hall is a one-story building totaling 11,000 SF which was constructed in numerous phases and is 30-60 years old. It is our understanding that the City would like to gain hands-on experience of how this centralized database of facility and energy data may assist in making informed decisions in regards to capital planning and budgeting, facility improvement projects and reporting on multiple levels, for example: energy (EUI), carbon, conditions (FCI), investment opportunity (ROI) and other sustainability metrics. This program is to be a dynamic AEMP tool, customized to include special project considerations as deemed important to the City.

Summary of Assets to Audit:

The following is a list of City owned and managed assets requested to be audited:

- A. City Hall – 11,000 SF

SCOPE OF SERVICES

Task 1 – Acquire Asset Management Software Tool

For this pilot project, CR-BPS recommends using CR-BPS's VFA facility software seat (already acquired by, and in use by, CR-BPS) to determine if the VFA facility software tool is an effective tool for the City before the City purchases directly from VFA. This allows the City to implement the pilot AEMP project without being required to make a software purchase/investment at this time.

Task 2 – Coordinate and Collect (Project Kick-Off Meeting)

CR-BPS will collect and review all available background information including, but not limited to: drawings, utility data (10 years preferred), B3 data, water use/cost, past studies, etc.

The City and CR-BPS will conduct Project Kick-Off meeting via conference call. The goal of this meeting is to:

- Review background info
- Present and review schedule
- Customize VFA facility data entry standards and protocols to align with City's standards
- Identify energy/carbon (sustainability) goals
- Identify other organizational goals

Task 3 – On-site Assessments

CR-BPS's Facility and Energy Assessors will conduct an on-site, physical inspection for each asset. CR-BPS shall be escorted by a City Facilities Team representative - preferably the building manager or operations director for building access and interviews.

Task 4 – Data Entry

CR-BPS will enter all facility and energy data into the software tool.

Task 5 – Analyze the Data (Brainstorming - IDEAS Sessions)

We have the data – now what?

CR-BPS staff will meet with the City to evaluate and analyze all data collected for each asset. A **Whole-Systems Thinking** approach (including life-cycle analysis) will be used to assure all facility improvement considerations reach maximum benefits. IDEAS Sessions are valuable in determining the most viable course of action for building improvements including, but not limited to:

- Identify energy savings opportunities
- Identify carbon reduction opportunities
- Evaluate funding scenarios
- Establish defensible capital plans and budgets (Example: 20 yr. CIP)
- Identify special project considerations
- Identify investment opportunities

Task 6 – Final Deliverable

1. Fully populated AEMP tool for each asset
2. 20 year CIP report (VFA report) with special project considerations taken into account (example – note of energy savings opportunities, etc.)
3. Supporting reports as needed

ADDITIONAL SERVICES

On-Going Services

CR-BPS is available to provide on-going services and support for the City long-term. These services will be addressed in a **separate proposal**. Examples of these services are as follows:

- Adding additional buildings to the AEMP database (VFA Tool)
- Assist in development of Scope of Work requirements for future projects. For example: list requirements in RFPs such as energy savings targets, etc.
- Cost estimating
- Establishing design guidelines (Basis of Design) for future projects
- Work with ESCO's and/or other A/E firms on City's behalf
- Development of budgetary and capital planning reports
- Additional training beyond standard reports
- Tracking additional sustainability metrics
- Monitor and Verification of energy performance projects
- Provide funding support documentation (example: grants, low-interest loans, etc.)
- Presentation assistance
- Energy Audits (ASHRAE Level 2 and 3)
- Energy Modeling
- Testing – Thermography, Blower Door, etc.
- Other services as determined by mutual consent

SCHEDULE

To be determined based on City's availability and Notice to Proceed.

COMPENSATION

Compensation shall be on a lump sum basis that includes all reimbursable expenses, to be billed monthly. Our total estimated fee for the identified Scope of Services is **\$6,120.00**.

We appreciate the opportunity to present this proposal letter to provide Asset and Energy Management Services. We look forward to working with you on this project. If you have questions, require clarification or need additional information, please contact me at 612.670.1108 or at lmalwitz@cr-bps.com.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "L. Malwitz". The signature is written in a cursive, flowing style.

Laura Malwitz, MBA, LEED GA // Vice President // CR-BUILDING PERFORMANCE SPECIALISTS, INC.

Sivertson Gallery

ART OF THE NORTH

P.O. BOX 178 | 14 W. WISCONSIN STREET, GRAND MARAIS, MINNESOTA 55604 | 218.387.2491 | 888.880.4369 | WWW.SIVERTSON.COM | INFO@SIVERTSON.COM
361 CANAL PARK DRIVE, DULUTH, MINNESOTA 55802 | 218.723.7877 | 888.815.5814 | WWW.SIVERTSON.COM | DULUTH@SIVERTSON.COM

January 4, 2015

Mike Roth
City of Grand Marais

Dear Mike,

I am writing to resign from my position on the city council, effective immediately.

I enjoyed working with you. Your professionalism and organizational skills and knowledge, make the work of a city councilor enjoyable and productive. Grand Marais is lucky to have you!

I trust we will work together on projects in the future. I look forward to that!

Sincerely,



Jan Sivertson

The Northwoods Food Project, a 501 C 3, would like to invite a representative from the Grand Marais City Council to attend our monthly board meetings.

The Northwoods Food Project began and continues to be a partnership between local gardeners and Cook County Extension to develop a community vehicle to increase local food production. The following goals and objectives have been outlined by the board, many of which have been implemented and continue to expand as needed or requested.

Develop a county-wide local food growing system for Cook County

- Develop a GardenShare program
- Provide small animal husbandry educational opportunities
- Develop a series of community gardens throughout the county that can be used by low and fixed income families. Two gardens include the community gardens at the Rec Park and WTIP Community Radio.

Provide educational resources to Cook County community gardeners and farmers to be successful

- Provide educational forums to foster sustainable agriculture
- Provide education on seed saving and development of northern seed varieties for our county
- Maintain a local media center for educational resources
- Host a monthly radio show about gardening in Cook County

Provide educational resources to our county youth for food production

- After school educational classes for youth in food production
- A Food to Table production system will eventually occur at our local schools.

Develop an educational, agrarian center for northern climates in our county

- Northwoods Food Project together with CC Extension is raising funds for these projects.

The Northwoods Food Project has received a Community Assistant Partnership grant through the U of M Center for Urban and Regional Affairs to document the annual food dollars spent in Cook County. We want to delineate the market sectors and outline what percentage of those sectors are currently being produced (if any) locally and what the potential for local food production in those market sectors might be attainable by local ag entrepreneurs. We are partnering with other organizations in the county for the grant implementation.

Our board meetings are at 3 p.m. on the second Thursday of each month at the Cook County Community Center. The next meeting is Thursday, Feb. 12.

Upcoming Meeting Schedule

Updated January 9, 2015

JANUARY

Date/Time	Meeting	Location
Wednesday, January 14, 4:30 p.m.	City Council Meeting	Council Chambers
Wednesday, January 28, 4:30 p.m.	City Council Meeting	Council Chambers

FEBRUARY

Date/Time	Meeting	Location
Wednesday, February 11, 4:30 p.m.	City Council Meeting	Council Chambers
Wednesday, February 25, 4:30 p.m.	City Council Meeting	Council Chambers