

**AGENDA**  
**CITY COUNCIL MEETING**  
**December 10, 2014**  
**4:30 P.M.**

A. Call to Order

B. Roll Call

C. Open Forum

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

D. Approve Consent Agenda

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

E. Lake Superior Water Monitoring—Ilena Berg

F. NSHCF Assisted Living Market Study Grant

G. YMCA Update

H. Budget Discussion

I. 6:00 Truth in Taxation Hearing

J. KGM Tentative Settlement

K. Other items as necessary

L. Council & Staff Reports

M. Attached correspondence:

1. Other Meeting Minutes
2. Upcoming Meeting Schedule

N. Adjourn

*CITY OF GRAND MARAIS  
MINUTES  
November 26, 2014*

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

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

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 Spry, seconded by Sivertson to approve the Agenda; November 12, 2014, Minutes; and Payment of Bills. Approved unanimously.**

Staff interviewed 3 of 12 applicants for the Property Maintenance Worker position and recommend hiring Rodney Carlson.

**Motion by Sivertson, seconded by Spry to hire Rodney Carlson as Property Maintenance Worker. Approved unanimously.**

Bob Spry left the meeting due to his appointment to the Economic Development Authority Board.

Peter Mikhail, attorney for the city, joined the meeting.

The open meeting was recessed into closed session for the discussion of legal strategy regarding pending/threatened litigation between the City of Grand Marais and KGM Contractors, Inc. This portion of the meeting will be closed pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(b) at 4:38 p.m.

The open meeting reconvened.

The open meeting was recessed until Monday, December 1<sup>st</sup> at 1:00 p.m.

*CITY OF GRAND MARAIS  
MINUTES Reconvened from November 26, 2014  
December 1, 2014*

Mayor Carlson called the meeting to order at 1:00 p.m.

Members present: Larry Carlson and Jan Sivertson  
Members absent: Tim Kennedy, Bob Spry and Bill Lenz  
Staff present: Mike Roth, Kim Dunsmoor and Peter Mikhail

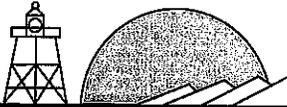
Mayor Carlson recessed the meeting into closed session at 1:00 p.m.

Pursuant to Minnesota Statutes, Section 13D.05, Subdivision 3(b) this portion of the meeting will be closed to discuss legal strategy regarding pending/threatened litigation between the City of Grand Marais and KGM Contractors, Inc.

The closed session adjourned at 1:38 p.m.

The open meeting reconvened at 1:38 p.m.

There being no further business, the meeting adjourned at 1:39 p.m.



# CITY OF GRAND MARAIS

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## Payments

City of Grand Marais

Current Period: December 2014

Batch Name	12112014AP	User Dollar Amt	\$102,506.16
	Payments	Computer Dollar Amt	\$102,506.16

\$0.00 In Balance

Refer 63773 JOHNSON S FOODS

Cash Payment	E 101-41400-210 Operating Supplies (GE	\$36.21
Invoice 1848	11/4/2014	

Transaction Date	12/3/2014	MAIN CHECKING G 10100	<b>Total</b>	\$36.21
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Refer 63774 QUILL CORPORATION

Cash Payment	E 101-41400-200 Office Supplies (GENER	\$177.40
Invoice 8108264	11/21/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$113.06
Invoice 7897375	11/14/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$128.24
Invoice 8098966	11/14/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$84.56
Invoice 8098515	11/19/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$18.25
Invoice 8096261	11/19/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$136.25
Invoice 8030501	11/19/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$381.88
Invoice 8039658	11/19/2014	

Cash Payment	E 101-45100-200 Office Supplies (GENER	\$71.31
Invoice 8026504	11/19/2014	

Transaction Date	12/3/2014	MAIN CHECKING G 10100	<b>Total</b>	\$1,110.95
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Refer 63775 HANSON, CHRISTINE

Cash Payment	E 101-41400-210 Operating Supplies (GE	\$71.88
Invoice SAMS/OFFICEM	11/28/2014	

Transaction Date	12/3/2014	MAIN CHECKING G 10100	<b>Total</b>	\$71.88
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Refer 63776 COMO OIL & PROPANE

Cash Payment	E 211-45500-217 Heating Fuel	\$319.53
Invoice 538304	11/25/2014	

Cash Payment	E 101-41940-217 Heating Fuel	\$789.87
Invoice 521396	11/18/2014	

Cash Payment	E 101-43100-217 Heating Fuel	\$412.17
Invoice 521395	11/18/2014	

Cash Payment	E 101-42200-217 Heating Fuel	\$638.89
Invoice 538167	11/13/2014	

Cash Payment	E 101-45100-217 Heating Fuel	\$379.20
Invoice 734413	11/18/2014	

Transaction Date	12/3/2014	MAIN CHECKING G 10100	<b>Total</b>	\$2,539.66
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Refer 63777 AMERIPRIDE LINEN AND APPARE

Cash Payment	E 211-45500-310 Service Agreements	\$43.59
Invoice 3500682475	12/1/2014	

Cash Payment	E 101-41940-210 Operating Supplies (GE	\$141.10
Invoice 3500682467	12/1/2014	

Transaction Date	12/3/2014	MAIN CHECKING G 10100	<b>Total</b>	\$184.69
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**CITY OF GRAND MARAIS**

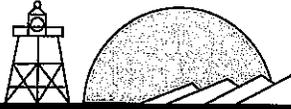
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**Payments**

Current Period: December 2014

<b>Refer 63778 METRO SALES INC.</b>				
Cash Payment	E 211-45500-310 Service Agreements			\$292.24
Invoice	117976	11/13/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$292.24
<b>Refer 63779 COOK COUNTY HIGHER EDUCATI</b>				
Cash Payment	E 211-45500-310 Service Agreements			\$25.00
Invoice	ROOM RENTAL	11/7/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$25.00
<b>Refer 63780 COOK COUNTY NEWS HERALD</b>				
Cash Payment	E 211-45500-340 Advertising			\$8.00
Invoice	OCT. 2014	10/31/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$8.00
<b>Refer 63781 BARRON S</b>				
Cash Payment	E 211-45500-435 Books, Periodicals, AV			\$199.00
Invoice	121598869068	12/3/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$199.00
<b>Refer 63782 DVA INC.</b>				
Cash Payment	E 211-45500-435 Books, Periodicals, AV			\$9.99
Invoice	78152	11/11/2014		
Cash Payment	E 211-45500-435 Books, Periodicals, AV			\$29.97
Invoice	78048	11/15/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$39.96
<b>Refer 63783 BAKER &amp; TAYLOR</b>				
Cash Payment	E 211-45500-435 Books, Periodicals, AV			\$142.75
Invoice	2029985485	11/6/2014		
Cash Payment	E 211-45500-435 Books, Periodicals, AV			\$578.65
Invoice	2029952002	10/19/2014		
Cash Payment	E 211-45500-435 Books, Periodicals, AV			-\$35.45
Invoice	0002624106	11/4/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$685.95
<b>Refer 63784 ROHLFING INC.</b>				
Cash Payment	E 609-49750-252 Beer For Resale			\$3,460.43
Invoice	403826	11/25/2014		
Cash Payment	E 609-49750-333 Freight and Express			\$2.00
Invoice	403826	11/25/2014		
Cash Payment	E 609-49750-252 Beer For Resale			-\$1,893.02
Invoice	403290	11/12/2014		
Cash Payment	E 609-49750-333 Freight and Express			-\$2.00
Invoice	403290	11/12/2014		
Cash Payment	E 609-49750-252 Beer For Resale			\$1,633.00
Invoice	404119	12/3/2014		
Cash Payment	E 609-49750-333 Freight and Express			\$2.00
Invoice	404119	12/3/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$3,202.41
<b>Refer 63785 BERNICKS</b>				
Cash Payment	E 609-49750-252 Beer For Resale			\$1,908.85
Invoice	429275	11/26/2014		



City of Grand Marais

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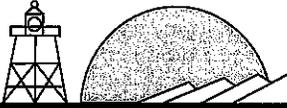
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Current Period: December 2014

Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$153.75
Invoice	429274	11/26/2014			
Cash Payment	E 609-49750-252 Beer For Resale				-\$39.43
Invoice	430106	12/4/2014			
Cash Payment	E 609-49750-252 Beer For Resale				-\$30.00
Invoice	430107	12/4/2014			
Cash Payment	E 609-49750-252 Beer For Resale				\$2,026.25
Invoice	430108	12/4/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$4,019.42
Refer	63786 PAUSTIS WINE COMPANY				
Cash Payment	E 609-49750-251 Liquor For Resale				\$431.00
Invoice	8476386	11/25/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$30.00
Invoice	8476386	11/25/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$461.00
Refer	63787 MINNESOTA LIFE				
Cash Payment	G 101-21716 MN Mutual Life				\$140.80
Invoice	0028722	11/21/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$140.80
Refer	63788 BUSINESS FORMS & ACCOUNTIN				
Cash Payment	E 101-41400-200 Office Supplies (GENER				\$158.00
Invoice	049394	11/25/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$158.00
Refer	63789 GRAYBAR ELECTRIC COMPANY, I				
Cash Payment	E 101-41940-220 Repair/Maint Supply (GE				\$651.51
Invoice	975995437	11/19/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$651.51
Refer	63790 WIRTZ BEVERAGE MINNESOTA				
Cash Payment	E 609-49750-252 Beer For Resale				\$406.00
Invoice	1080256656	11/24/2014			
Cash Payment	E 609-49750-251 Liquor For Resale				\$4,176.02
Invoice	1080256655	11/24/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$56.12
Invoice	1080256655	11/24/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$4,638.14
Refer	63791 SOUTHERN WINE & SPIRITS OF M				
Cash Payment	E 609-49750-251 Liquor For Resale				\$3,226.53
Invoice	1228760	11/24/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$104.82
Invoice	1228760	11/24/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$3,331.35
Refer	63792 COCA-COLA REFRESHMENTS				
Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$81.94
Invoice	0678012014	11/25/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$81.94
Refer	63793 SUPERIOR BEVERAGES LLP				



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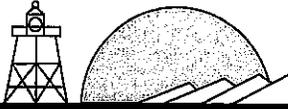
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## Payments

City of Grand Marais

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Cash Payment	E 609-49750-252 Beer For Resale				\$1,138.85
Invoice	462787	11/25/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$2.00
Invoice	462787	11/25/2014			
Cash Payment	E 609-49750-252 Beer For Resale				\$1,885.60
Invoice	463151	12/3/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$2.00
Invoice	463151	12/3/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$3,028.45
Refer	63794	<i>COOK COUNTY AUDITOR-TREASU</i>			
Cash Payment	G 101-20800 Taxes Due (State MN)				\$29.77
Invoice	11/2014	12/3/2014			
Cash Payment	G 101-20800 Taxes Due (State MN)				\$874.14
Invoice	10/2014	12/3/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$903.91
Refer	63795	<i>BLUE CROSS/BLUE SHIELD OF M</i>			
Cash Payment	G 101-21706 Health Insurance				\$12,437.00
Invoice	CI926-VO 8	11/24/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$12,437.00
Refer	63796	<i>PUBLIC UTILITIES COMMISSION1 Ck# 002771E 12/3/2014</i>			
Cash Payment	E 101-41940-380 Utility Services (GENER				\$1,906.82
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-43100-380 Utility Services (GENER				\$27.12
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-45100-380 Utility Services (GENER				\$896.58
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-43100-381 Street Light Utilities				\$2,230.61
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-42700-380 Utility Services (GENER				\$108.43
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-42200-380 Utility Services (GENER				\$1,103.70
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 211-45500-380 Utility Services (GENER				\$546.64
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-45124-380 Utility Services (GENER				\$47.60
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-45184-380 Utility Services (GENER				\$74.50
Invoice	NOVEMBER 201	12/3/2014			
Cash Payment	E 101-42200-380 Utility Services (GENER				\$151.70
Invoice	NOVEMBER 201	12/3/2014			
Transaction Date	12/3/2014		MAIN CHECKING G 10100	<b>Total</b>	\$7,093.70
Refer	63797	<i>FLEET ONE LLC</i>			
Cash Payment	E 101-42200-212 Motor Fuels				\$75.95
Invoice	4453160039	11/30/2014			
Cash Payment	E 101-43100-212 Motor Fuels				\$57.63
Invoice	4452920039	11/30/2014			
Cash Payment	E 101-43100-212 Motor Fuels				\$225.55
Invoice	4452910039	11/30/2014			



City of Grand Marais

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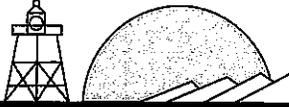
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Cash Payment	E 613-45125-221 Equipment Parts/Building			\$59.90
Invoice	4453130039	11/30/2014		
Cash Payment	E 101-45100-212 Motor Fuels			\$69.85
Invoice	4452890039	11/30/2014		
Cash Payment	E 101-45100-212 Motor Fuels			\$16.46
Invoice	4452920039	11/30/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$505.34
Refer	63798	G&G SEPTIC		
Cash Payment	E 101-43100-418 Portable Toilet Rentals			\$48.25
Invoice	8853	11/30/2014		
Cash Payment	E 101-45100-418 Portable Toilet Rentals			\$380.90
Invoice	8838	11/30/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$429.15
Refer	63799	LYLE S ACE HARDWARE		
Cash Payment	E 101-43100-430 Miscellaneous (GENERA			\$42.96
Invoice	3125	11/30/2014		
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE			\$148.14
Invoice	3125	11/30/2014		
Cash Payment	E 211-45500-220 Repair/Maint Supply (GE			\$23.99
Invoice	3125	11/30/2014		
Cash Payment	E 613-45125-211 Operating Supplies			\$134.09
Invoice	9988	11/30/2014		
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE			\$99.80
Invoice	1712	11/30/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$448.98
Refer	63800	GRAND MARAIS AUTO PARTS, INC		
Cash Payment	E 101-43100-220 Repair/Maint Supply (GE			\$36.68
Invoice	3125	11/22/2014		
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE			\$117.58
Invoice	1712	11/22/2014		
Cash Payment	E 613-45125-211 Operating Supplies			\$37.61
Invoice	9988	11/22/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$191.87
Refer	63801	INGEBRIGTSEN, PATRICIA		
Cash Payment	E 211-45500-330 Transportation/School			\$27.71
Invoice	VIRGINIA/MT.IR	11/19/2014		
Transaction Date	12/3/2014	MAIN CHECKING G	10100	<b>Total</b> \$27.71
Refer	63807	BUCK S HARDWARE HANK		
Cash Payment	E 211-45500-220 Repair/Maint Supply (GE			\$11.23
Invoice	1140	11/30/2014		
Cash Payment	E 101-42200-220 Repair/Maint Supply (GE			\$80.77
Invoice	9088	11/30/2014		
Cash Payment	E 613-45125-211 Operating Supplies			\$33.06
Invoice	9988	11/30/2014		
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE			\$125.31
Invoice	1712	11/30/2014		
Cash Payment	E 101-41940-220 Repair/Maint Supply (GE			\$61.62
Invoice	1848	11/30/2014		



City of Grand Marais

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Current Period: December 2014

Cash Payment	E 101-41940-220 Repair/Maint Supply (GE				\$47.59
Invoice 3125	11/30/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$359.58
Refer	63808 WINE MERCHANTS				
Cash Payment	E 609-49750-251 Liquor For Resale				\$979.10
Invoice 516850	8/27/2014				
Cash Payment	E 609-49750-333 Freight and Express				\$25.10
Invoice 516850	8/27/2014				
Cash Payment	E 609-49750-252 Beer For Resale				-\$60.00
Invoice 700070	10/10/2014				
Cash Payment	E 609-49750-333 Freight and Express				-\$2.51
Invoice 700070	10/10/2014				
Cash Payment	E 609-49750-333 Freight and Express				-\$12.55
Invoice 700599	11/21/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$929.14
Refer	63809 TWIN PORTS PAPER & SUPPLY IN				
Cash Payment	E 609-49750-210 Operating Supplies (GE				\$46.25
Invoice 246137	12/2/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$46.25
Refer	63810 THE AMERICAN BOTTLING COMP				
Cash Payment	E 609-49750-260 Soft Drinks/Mix For Resa				\$114.00
Invoice 2436819523	12/1/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$114.00
Refer	63811 GRAND MARAIS MOTORS				
Cash Payment	E 101-45100-220 Repair/Maint Supply (GE				\$42.72
Invoice 63301	11/12/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$42.72
Refer	63812 XEROX CORPORATION				
Cash Payment	E 101-45100-200 Office Supplies (GENER				\$44.68
Invoice 077053629	11/1/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$44.68
Refer	63814 DISH NETWORK				
Cash Payment	E 613-45125-310 Service Agreements				\$65.28
Invoice 82557070825987	11/25/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$65.28
Refer	63822 STEVE S SPORTS AND AUTO				
Cash Payment	E 613-45125-211 Operating Supplies				\$41.81
Invoice 9988	11/10/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$41.81
Refer	63823 GENE S FOODS				
Cash Payment	E 613-45125-211 Operating Supplies				\$13.26
Invoice 63327	8/29/2014				
Transaction Date	12/4/2014	MAIN CHECKING G	10100	<b>Total</b>	\$13.26
Refer	63824 NORTH SHORE WASTE				
Cash Payment	E 101-41940-384 Refuse/Garbage Disposa				\$318.24
Invoice 12639	11/30/2014				



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**Payments**

Current Period: December 2014

Cash Payment	E 101-43100-384 Refuse/Garbage Disposa				\$168.48
Invoice	12645	12/2/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$486.72
Refer	63825	PHILLIPS WINE & SPIRITS			
Cash Payment	E 609-49750-251 Liquor For Resale				\$2,906.93
Invoice	2707607	12/3/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$76.35
Invoice	2707607	12/3/2014			
Cash Payment	E 609-49750-333 Freight and Express				-\$15.98
Invoice	202774	11/20/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$2,967.30
Refer	63826	JOHNSON BROTHER LIQUOR			
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,627.10
Invoice	5040250	12/3/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$77.81
Invoice	5040250	12/3/2014			
Cash Payment	E 609-49750-251 Liquor For Resale				\$3,701.89
Invoice	5040251	12/3/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$122.99
Invoice	5040251	12/3/2014			
Cash Payment	E 609-49750-251 Liquor For Resale				-\$29.32
Invoice	505385	11/24/2014			
Cash Payment	E 609-49750-333 Freight and Express				-\$0.83
Invoice	505385	11/24/2014			
Cash Payment	E 609-49750-252 Beer For Resale				-\$110.52
Invoice	503552	11/7/2014			
Cash Payment	E 609-49750-252 Beer For Resale				\$20.99
Invoice	1934363	8/27/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$5,410.11
Refer	63829	THE WINE COMPANY			
Cash Payment	E 609-49750-251 Liquor For Resale				\$520.00
Invoice	379268-00	12/4/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$25.00
Invoice	379268-00	12/4/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$545.00
Refer	63830	VINOCOPIA			
Cash Payment	E 609-49750-251 Liquor For Resale				\$1,021.25
Invoice	0113152-IN	12/4/2014			
Cash Payment	E 609-49750-333 Freight and Express				\$40.00
Invoice	0113152-IN	12/4/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$1,061.25
Refer	63831	COOK COUNTY VISITORS BUREA			
Cash Payment	G 101-20802 Cook County Lodging Tax				\$23,450.92
Invoice	OCT 2014	12/4/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$23,450.92
Refer	63832	ARROWHEAD ELECTRIC			



**CITY OF GRAND MARAIS**

12/05/14 2:30 PM

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**Payments**

**City of Grand Marais**

Current Period: December 2014

Cash Payment	E 613-45125-380 Utility Services (GENER				\$162.00
Invoice	901298	11/30/2014			
Cash Payment	E 613-45125-380 Utility Services (GENER				\$49.00
Invoice	908127	11/30/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$211.00
Refer	63833	LEAGUE OF MINNESOTA CITIES			
Cash Payment	E 101-41900-436 Membership Dues				\$1,442.00
Invoice	16705	12/1/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$1,442.00
Refer	63834	ROTH, MIKE			
Cash Payment	E 101-41400-330 Transportation/School				\$330.92
Invoice	MEDIATION	12/5/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$330.92
Refer	63835	LHB ENGINEERS & ARCHITECTS			
Cash Payment	E 101-41900-457 Highway 61 Corridor Imp				\$18,000.00
Invoice	140474.00-2	11/17/2014			
Transaction Date	12/5/2014	MAIN CHECKING G	10100	<b>Total</b>	\$18,000.00

**Fund Summary**

	10100 MAIN CHECKING GMSB
101 GENERAL FUND	\$69,851.55
211 LIBRARY	\$2,222.84
609 MUNICIPAL LIQUOR FUND	\$29,835.76
613 GOLF COURSE	\$596.01
	<u>\$102,506.16</u>

Pre-Written Checks	\$7,093.70
Checks to be Generated by the Computer	\$95,412.46
<b>Total</b>	<u>\$102,506.16</u>

# City of Grand Marais

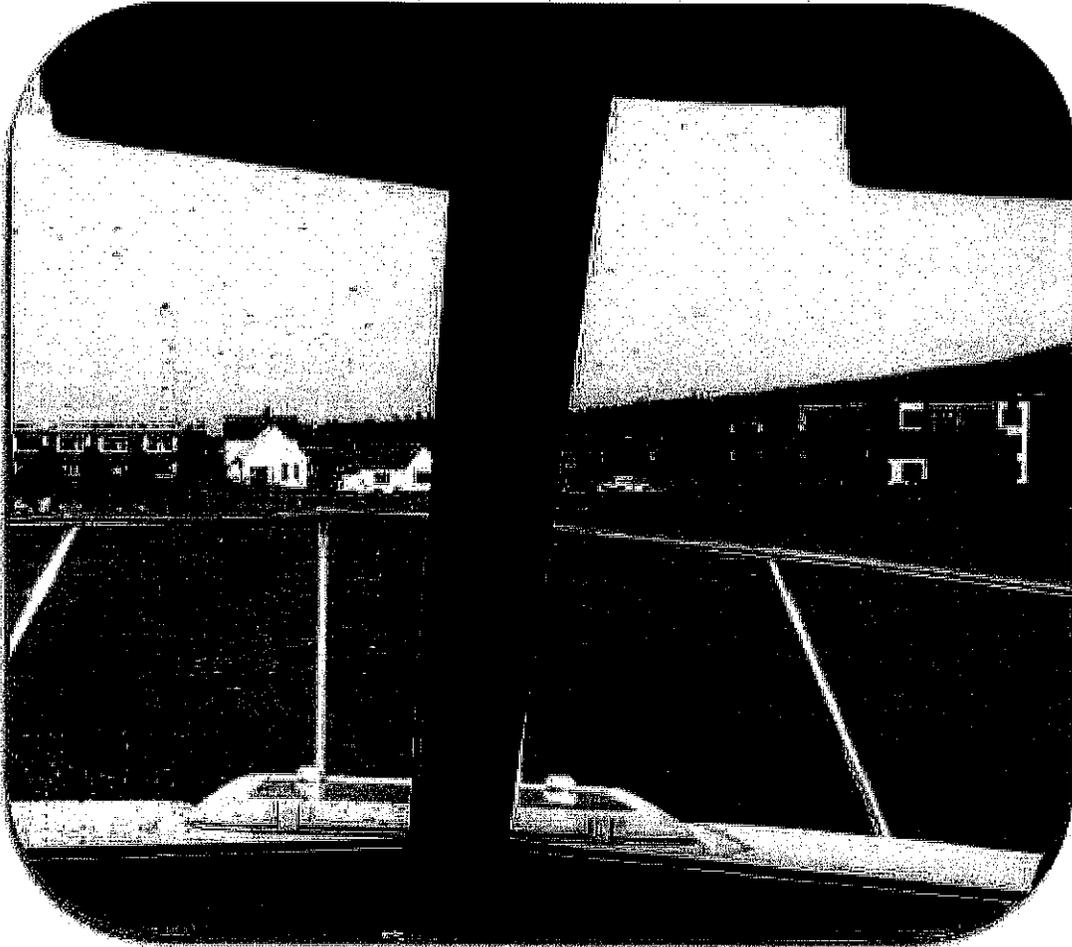
## MEMO

TO: Mayor Carlson  
City Council  
FROM: Michael J Roth, City Administrator  
DATE: December 5, 2014  
SUBJECT: Lake Superior Water Quality Monitoring

---

Ilena Berg, Cook County Soil and Water, will be at the meeting to review the Lake Superior near shore water quality monitoring program. Attached for your information is a copy of the report.

**Lake Superior Monitoring  
Near Shore of Grand Marais, MN**



May - October 2014 Monitoring Season Report

Cook County Soil and Water Conservation District  
411 West 2<sup>nd</sup> Street  
Grand Marais, MN 55604  
218-387-3647

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*Databases and the Standard Operating Procedures are located with Cook County SWCD on e-file.*

## **Terms:**

MPCA - Minnesota Pollution Control

SOP - Standard Operating Procedures

AIS - Aquatic Invasive Species

SWCD - Soil and Water Conservation District

# Monitoring Lake Superior Near Shore - City of Grand Marais

Revised 12/2/2014

Monitoring Season May - October 2014

## **Introduction:**

### ***Purpose of Monitoring:***

The project was created to track non-point source pollutants from the City of Grand Marais near shore in Lake Superior. There were four selected monitoring locations along the two mile coastal area of the city. These areas were selected due to their relationship to stormwater outlets and based on prior testing and modeling. The project was a preliminary study to establish quality baseline figures, to expand a previously performed storm water study and to begin to develop a near shore monitoring plan. To accomplish this objective, the following tasks were accomplished; collect and analyze data, review preliminary results, and create a report to determine what additional monitoring needs to be accomplished. Information will be shared with the City of Grand Marais, Cook County and other groups.

### ***Monitoring Design:***

Monitoring was completed along the two mile shoreland of the City of Grand Marais in four locations. The locations were located no more than 1 kilometer from the shore. Monitoring took place twice a month when possible.

Monitoring followed the Standard of Procedures of Near Shore Monitoring - Lake Superior developed by Cook County SWCD staff that closely follows the MPCA Standard of Procedures for Lake Monitoring.

Parameters monitored are listed later in this document. They were selected after discussions with MPCA staff and in looking at general monitoring parameters.

Samples that were analyzed were sent into state certified lab, ERA Laboratories, Inc. in Duluth, MN.

### ***Sampling Locations:***

Lake Superior near shore sampling took place in four locations near four outfalls along the shore of the City of Grand Marais. Sites are established at the following GPS coordinates with the MPCA (*EqUIS Project ID: PRJ07977*):

**Site 1** Lat: 47.74883 (47°44'55.7874"N)  
MPCA project location id: 16-0001-00-203

Long: -90.3284 (90°19'42.24"W)

**Site 2** Lat: 47.7434 (47°44'36.24"N)  
MPCA project location id: 16-0001-00-204

Long: -90.3442 (90°20'39.12"W)

**Site 3** Lat: 47.74669 (47°44'48.084"N)  
MPCA project location id: 16-0001-00-205

Long: -90.341 (90°20' 27.5994"W)

**Site 4** Lat: 47.74807 (47°44'53.0514"N)  
MPCA project location id: 16-0001-00-206

Long: -90.3362 (90°20'10.32"W)

**Map of Monitoring locations:**

Depths of monitoring varied due to the varied geology of the Lake Superior floor at the sampling sites.



## Parameters Monitored & Data Collection:

**Table 1 Parameters sampled**

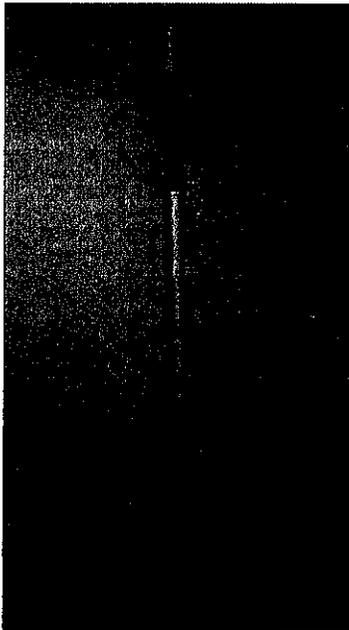
Parameter/data collected	Water Depth	Lab	No Lab	Monitoring Equipment
e-coli	2 m	x		Integrated Sampler/Bottles
Total phosphorus	2 m	x		Integrated Sampler/Bottles
Total chlorophyll-a	2 m	x		Integrated Sampler/Bottles
Total Suspended Solids	2 m	x		Integrated Sampler/Bottles
Volatile Suspended Solids	2 m	x		Integrated Sampler/Bottles
Chloride	2 m	x		Integrated Sampler/Bottles
Temperature (column deep as possible)	0 - bottom*		x	Meter
Conductivity (Column deep as possible)	0 - bottom*		x	Meter
Dissolved Oxygen (column deep as possible)	0 - bottom*		x	Meter
Wind – speed, direction			x	Anemometer
Recent precipitation date & amount			x	Internet
Air temperature			x	Meter
Wave Height			x	Volunteer
Time			x	Watch
Cloud Cover			x	Volunteer
Water Clarity			x	Secchi Disk

\*Samples were not taken at the bottom. Instead, when the meter reached the bottom, it was pulled up half way between the bottom and the previous sample.

## Sampling Protocols:

### *Equipment:*

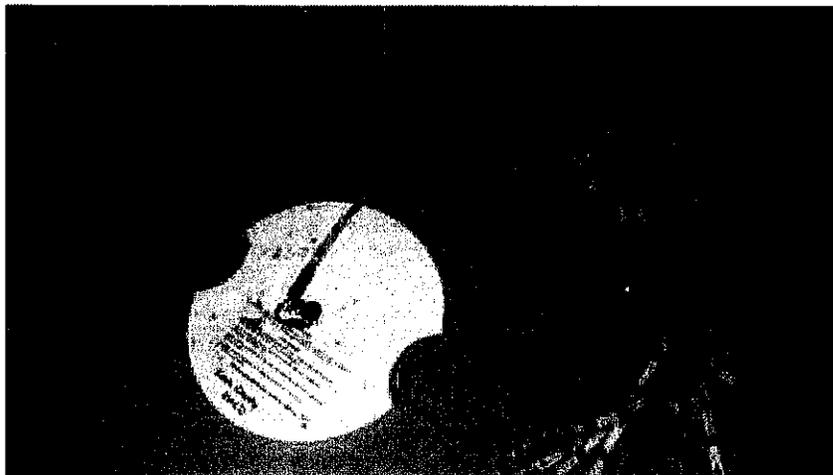
The following equipment was used for near shore sampling:



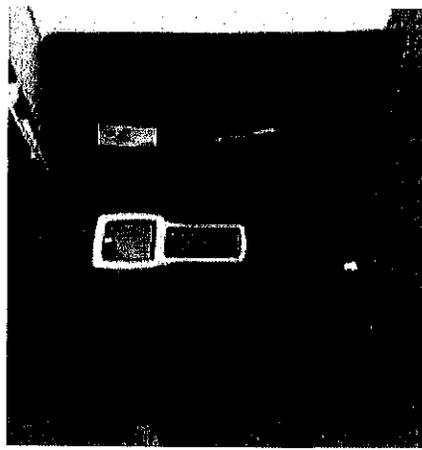
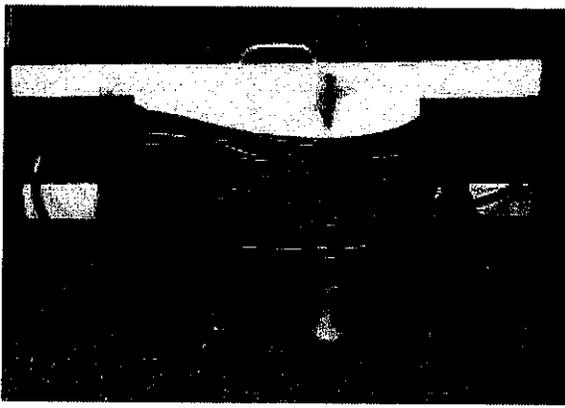
Integrated Sampler The sampler was used to acquire a sample from a 2 meter water column. It is made of pvc pipe. The ends are attached by a chain. One end has a rubber stopper. The other end has screw top plastic stopper.



Anemometer Wind speed was determined by this meter. If the meter was not available, an educated guess was made or the information was gathered from the NOAA website.



Secchi Disk To determine water column transparency, the secchi disk was used.

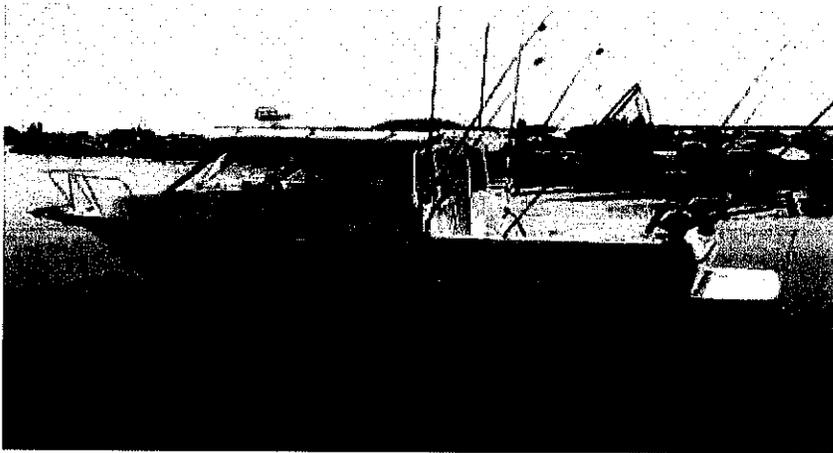


### YSI Meter

This is the meter that was used for sampling DO, pH, conductivity and temperature of the water column.

Sampling Gloves These were found to be very important in helping with holding the bottles and for the warmth of the person's hands holding the bottles.

Sampling Cooler The lab provided a cooler with the appropriate bottles to use. Ice was purchased used in the coolers.



Boat A fishing charter was hired for the monitoring season. The boat was able to handle Lake Superior and there was a certificated captain of the boat at all times.



### Pfd with whistles

PFD's were worn by all participants on the boat at all times. A whistle was required on each life jacket for extra safety measures.

Clipboard  
Pen (2)  
Bag for materials  
Field data sheets

***Sampling Procedures:***

Sampling procedures followed the Standard Operating Procedures (SOP) developed for this project.

***QA/QC:***

Duplicates were taken at each site one time during the summer. The duplicates were taken on the fifth sampling event.

***Aquatic Invasive Species:***

Lake Superior is known to have at least 81 different aquatic species. Not all are present in the sampling area, but many of them are. To help prevent the spread of AIS, the SOP was followed for handling equipment and sampling procedures.

A permit to transport the infested water from the sampling site to the lab was obtained from the MN DNR. The permit was with the sampler at all times. The shipping driver was also provided a copy of the permit because they were transporting water.

***Laboratory Analysis:***

ERA Labs, Duluth, MN processed the samples sent to them. They provided reports of the results after each sample.

**Data Management:**

***Field Data:*** Data was recorded on field data sheets for each sampling event. (see Appendix A).

***Data Storage:*** Data collected in the field that was not sent to the lab was transferred into an excel database within the Cook County SWCD office. Data collected from the lab after samples were analyzed combined with field data and submitted to the MPCA for storage into the Environmental Data Access database.

***Data Assessment:*** Only one season of data was collected for this report, which does not provide enough data to notice any trends of the water quality of the area sampled. A general assessment was established for the purpose of this project. More data is necessary for a better assessment of data collected.

***Retrieval/Accessibility:*** Data submitted to the MPCA is available to the public from the Environmental Data Access database at: <http://www.pca.state.mn.us/index.php/data/surface-water.html> Data is also available through the Cook County SWCD office.

## Key Lake Superior Near Shore Water Quality Parameters Summary

(Excluding depth profile parameters)

**Table 2 Parameters Summary**

**Site 1:**

Parameter	Minimum	Maximum	Average
Chlorophyll a (ug/L)	<1	1	
Phosphorus as P (mg/L)	0.002	0.005	0.003
Total Suspended Solids (mg/L)	<1	<1	
Total Volatile Solids (mg/L)	<1	1	
Escherichia coli (MPN/100mL)	<1	11	
Chloride (mg/L)	1.4	2	1.6
Secchi Disc (m)	4.9	8.71	6.83

**Site 2:**

Parameter	Minimum	Maximum	Average
Chlorophyll a (ug/L)	<1	1	
Phosphorus as P (mg/L)	<0.002	0.005	
Total Suspended Solids (mg/L)	<1	<1	
Total Volatile Solids (mg/L)	<1	1	
Escherichia coli (MPN/100mL)	<1	2	
Chloride (mg/L)	1.4	2	1.65
Secchi Disc (m)	4.9	12.98	

**Site 3:**

Parameter	Minimum	Maximum	Average
Chlorophyll a (ug/L)	<1	<1	
Phosphorus as P (mg/L)	<0.002	0.005	
Total Suspended Solids (mg/L)	<1	1	
Total Volatile Solids (mg/L)	<1	1	
Escherichia coli (MPN/100mL)	<1	240	
Chloride (mg/L)	1.5	2	1.5
Secchi Disc (m)	4.8	5.48	4.73

**Site 4:**

Parameter	Minimum	Maximum	Average
Chlorophyll a (ug/L)	<1	<1	
Phosphorus as P (mg/L)	0.002	0.006	0.003
Total Suspended Solids	<1	1	

(mg/L)			
Total Volatile Solids (mg/L)	<1	1	
Escherichia coli (MPN/100mL)	<1	16	
Chloride (mg/L)	1.6	2	1.76
Secchi Disc (m)	3.08	7.16	5.03

*Note:* 2014 data was used in this table.

Averages were not calculated for some parameters because of the less than value.

The total number of samples varied due to equipment failure, so the total number was not included.

The minimum detection limits for the lab seemed inconsistent so analyzing data was a bit subjective.

***Conclusion:***

In reviewing the first year of the program, there were many successes to the program. There were seven volunteers that were able to assist with monitoring. Collaboration between the Cook County SWCD office and local fishing guides took place which is a new collaboration. Both parties look forward to working together in the future. The fishing guides have a unique relationship with Lake Superior and were able to provide insight about changes they have seen over time with the lake and the fishing.

The data was reviewed by a staff member of the MPCA. It was also reviewed by Cook County SWCD staff. In looking at Lake Superior standards, the water parameters measured are all low and the water quality is good. The outlier that is visible in reviewing data is a high e-coli count in September. The reason for this is unknown.

***Suggested additions to the monitoring program:***

There should be a review of the Lake Superior Water Quality Standards prior to the next set up of sampling events to see if there are additional parameters to be evaluated and to review any updates to the standards.

Collaboration with NRRI or UMD research being done on Lake Superior would add additional insight to the program, may provide suggestions for additional parameters to measure, offer the opportunity for outreach, and provide insight into data evaluation.

Additional outreach with the community inviting people to sample, more frequent updates on what is being done, and updates on results would be a positive addition to the program.

Fecal coliform sampling should be added to parameters for monitoring.

Caffeine levels should be added to the parameters of monitoring.

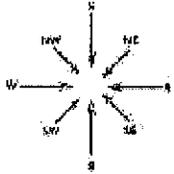
# Appendix

## Appendix A: Sample data sheets

### LAKE SUPERIOR NEAR SHORE MONITORING SAMPLE DATA

Organization: Cook County SWCD Project: Near Shore Monitoring of Lake Superior  
 Lake Name: Lake Superior Military Time: \_\_\_\_\_  
 Station ID #: \_\_\_\_\_ County: Cook Date: \_\_\_\_\_  
 Primary Sampler: \_\_\_\_\_ Additional Sampler(s): \_\_\_\_\_

**Weather Conditions:**

Air Temperature	Wind Speed	Wind Direction	Wave Height
_____ C°	_____ mph	_____ North _____ Northeast _____ East _____ Southeast _____ South _____ Southwest _____ West _____ Northwest 	_____ inches/feet
Previous Precipitation Date	Previous Precipitation Amount	Weather Conditions (Describe: cloudy, partly cloudy, sunny)	Cloud Cover
_____ (month/day/year)	_____ inches		_____ %

**Sampling Data:**

Secchi Disc Depth (inches/feet)	Water Clarity
Reading One: _____	___ Clear ___ Tea Stained
Reading Two: _____	___ Green ___ Gray/Blue
Average: _____	___ Sediment ___ Other

**Additional Comments:**



# City of Grand Marais

## MEMO

TO: Mayor Carlson  
City Council  
FROM: Michael J Roth, City Administrator  
DATE: December 5, 2014  
SUBJECT: North Shore Health Care Foundation Assisted Living Market Study

---

Representatives of the North Shore Health Care Foundation will be at the meeting to discuss granting the City \$2,500 to conduct a market study for assisted living facilities. The Hospital had conducted a study in 2010, which needs to be updated.

## CityHall

---

**From:** Jay Arrowsmith DeCoux [arthousebb@gmail.com]  
**Sent:** Saturday, November 15, 2014 9:33 AM  
**To:** CityHall  
**Subject:** Agenda item for Dec. 10

Hey Mike,

I know that this is poor timing, but myself and the North Shore Health Care Foundation would like to be put on the agenda for the 10th of December so that we can approach the council and get the approval to receive a grant from the NSHCF to fund a market study to see if there is a need in our community for Assisted Living facilities and services.

This will take only a few minutes. I can prep you with everything that you will need to know. Karl Hansen and Jon Bottger will likely be there too.

The breakdown of the request is that the city would own the results of the study, the NSHCF would pay for it, and then the city would be armed with the information it needs to potentially proceed on looking into vendors to offer services up here.

This is just ground work.

Thanks,

Jay

--

*Jay, Rose + Ennis*

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# City of Grand Marais

## MEMO

TO: Mayor Carlson  
City Council  
FROM: Michael J Roth, City Administrator  
DATE: December 5, 2014  
SUBJECT: Budget Discussion

---

At a November meeting, Council asked whether the new park rates were forecasted in the current budget draft (they were not yet). Staff suggested bringing information to the December 10 meeting to consider the appropriate adjustment to the revenue budget.

We have also made a few other minor changes since the draft budget was viewed in September. Included in the packet is a revised budget spreadsheet with all changes except the park revenues. Also included is a summary of the new rates prepared by Dave Tersteeg for the Park Board, and a chart with historic occupancy/revenue numbers for the park.

## **2015 Campground and Marina Rates**

The Rec. Park collects user fees to fund the goals of the City of Grand Marais. The number one use of our revenue is for property tax relief; each dollar our operation collects is one less dollar needed from the pockets of city taxpayers. Another top goal is re-investing in our operation and building out the vision of the Rec. Park Master Plan. Our future capital projects rely on funding from our annual revenue. If we want to build a new office, we need to maximize our revenue through market-based, user fee collection.

Now is the time to consider rate adjustments in the following categories:

1. Daily Camping Rates
2. Monthly Camping Rates
3. Daily Marina Rates
4. Seasonal Marina Rates
5. Reservations fees, pet fees, etc.
6. Adjustments to peak and non-peak season

Practical business strategy suggests rates should be adjusted every season, even marginally, for three reasons:

1. The cost of almost everything increases every year, and if we are to properly maintain and service our operation, the increased costs need to be absorbed.
2. Seasonal adjustments set the precedent with customers and decrease the negative backlash often found with infrequent rate adjustments.
3. Regular rate adjustments allow for smaller changes in rates. It is considered more favorable to adjust rates 2% every year than it is to wait three years and make a 6% increase in one season.

### **Camping Market Rates:**

We are unique in our market and have no local competition for the product we offer – RV camping on Lake Superior in downtown Grand Marais; this fact alone creates considerable added value to our product. Our location is so prime, it is difficult to find apples to apples comparisons for a market rate analysis of camping rates. We can, and do, charge more than a campground in the middle of nowhere.

Similar campground markets are in other small, “destination” coastal communities on the Great Lakes. The rare models you find are charging around \$50/night for prime RV sites and close to \$30/night for tenting. MN State Parks along the north shore are charging \$22/night for tenting and \$28/night for electric only RV sites; this does not include the \$8.50 reservation fee or the \$5/day vehicle permit. Ontario Parks are charging \$48/night for electric only RV sites and does not include the \$13 reservation fee or \$10 daily vehicle permit. Industry wide, camping rates range from \$20-\$80/night for full hook-up RV sites. A campground’s location and scenic value set the price.

We are on Lake Superior, in downtown Grand Marais. We charge, on average, \$25/night for tenting, \$40/night for full hook-ups and roughly \$700 a month.

**5 year history of DAILY rates, composite occupancy and revenue**

Year	rate hike	EWS rate	occupancy	revenue	% \$ change
2010	2%	\$35	43%	\$448,885	5%
2011	*see below	\$35/\$37	44%	449,748	0.00%
2012	3%	\$36/\$38	46%	524,447	16.60%
2013	2%	\$37.50avg	46%	594,662	1.30%
2014	1.50%	\$38/avg			

\* this was the year of "weekend" rates:  
no change for Sun-Thu nights; Fri & Sat nights became \$2 more

**5 year history of MONTHLY rates and revenue**

Year	rate hike	EWS rate	revenue	% \$ change
2010	1%	\$616	\$195,491	6%
2011	3%	\$634	212,435	8.66%
2012	3%	\$653	232,792	8.70%
2013	1.00%	\$660	242,991	4.40%
2014	1.50%	\$670		

2010 started one-month rate of \$100 more than 2+ months  
2011 started 2 month rate of \$50 more than 3+ months

Monthly occupancy is hard to determine, but consider we have a  
100 person waiting list for the prime months of June, July, August

***Please consider the following when determining 2015 rates:  
(Items in red were motioned and approved at the November meeting.)***

Our modest (1-3%) rate increases in the past 5 years have had no negative effect on occupancy, and in fact, we've seen gains in composite occupancy.

Our monthly market is stronger than ever; over 120+ people are waiting for an offer to make Grand Marais their summer address.

Our reviews and ratings are consistently positive, with little critique of price or value, but rather compliments on our clean, friendly, well run, ideally located operation. Check us out at [tripadvisor.com](http://tripadvisor.com) or [rvreviews.com](http://rvreviews.com) - just search for the "Grand Marais Campground" online and you can read what "net-savvy" folks think. The best source of feedback is the front desk - we frequently hear how great we are, with few complaints, esp. about price.

Here's what marginal adjustments to the mid-week, **daily full hook-up rate** look like (and a projection of increased annual revenue, assuming stable occupancy):

- 1.5% = \$0.50 more, from \$37 to \$37.50 (\$8.5k more for the season)
- 3% = \$1.00 more, \$38 for 2014 (\$17k more for the season)

Here's what marginal adjustments to the **3+ month full hook-up rate** look like (and a projection of increased annual revenue, assuming stable occupancy):

- 1.5% = \$10/month, from \$670 to \$680 (\$3.5k more for the season)
- 2.0% = \$13/month (\$4.8k more for the season)
- 3% = \$20/month (\$7k more for the season)

Good, Better, Best pricing reflects the uniqueness of our layout, recognizes the demand and willingness of customers to pay for a better site, and offers a full spectrum of pricing choices.

We should maximize our revenue potential on the Best sites (Lakeside tent and RV) and have already gone this direction with a \$5 more per night "up-charge" on these prime sites. Consider increasing this amount to 6 dollars more per night on the Lakeside RV sites – the demand for these prime, harborside sites is insatiable. Eliminated the weekly discount (one free night) on these prime sites.

Off-season storage did not increase from 2011 to 2012 and increased 1.5% in 2012 and 2013. The current storage rate is \$66/month. A 1.5% increase is \$1 more/month; a 3% increase is \$2. A 1.5% increase could generate roughly \$400 more in annual revenue.

Now is the time to consider changes to the \$5 reservation fee (state parks charge \$8.50). We take over 4000 reservations and they are practically required for July and August. \$2 increase to reservation fee will net \$7k more "daily" revenue.

Other "new" revenue to consider: Pet fees (\$3-\$5 per stay would help fund the Mutt-Mitt supplies budget)

Daily marina rates continue to be the highest on the lake at \$1.55/ft.; most marinas are \$1.25 to \$1.50/ft. and offer excellent access and facilities exclusively for the needs of boaters.

Seasonal (monthly) marina rates were adjusted up 1.5% last year to \$55 foot; this is low compared to all other marinas in the region, except Silver Bay (\$40/ft.) where supply exceeds

demand. We have a waiting list of approx. 25 folks hoping to get a seasonal slip. Seasonal marina rates were raised 1.8% to \$56/foot/year.

Most other marinas on the lake charge seasonal guests flat prices for different length docks (25' dock = \$2000, 40' dock = \$3000, etc.); generally the price per foot of seasonal docks is in the \$70-\$80 range in the Duluth/Superior and Apostles Islands area.

Moorings buoys could be priced at flat rates; the size of the boat on the buoy has no bearing on the amount of "dock space" it is taking up. \$30 per night and \$500-600 per year would be appealing prices and might improve this softer, underutilized market. (Moorings, especially the two transient buoys, have had weak occupancy rates.)

Recently, we've been "busy" (and in demand) from the Boat Show / Summer Solstice event (mid-June) until the Unplugged event mid-September. Consider extending out Peak Season rates from Boat Show to Unplugged – currently they are July 1<sup>st</sup> through Labor Day weekend. No action was taken on this suggestion, but the Board will re-visit this in December. Possibly a weekend (Friday and Saturday night) rate that is peak season with mid-week still be reduced. If motioned and approved this could net an additional \$7.5k)

F.Y.I. – The info. below is new and was not shared with the PB on 11/5/14.

Estimated overall increase in 2015 revenue due to November meeting rate adjustments: \$23.7k (assuming stable/flat occupancy)

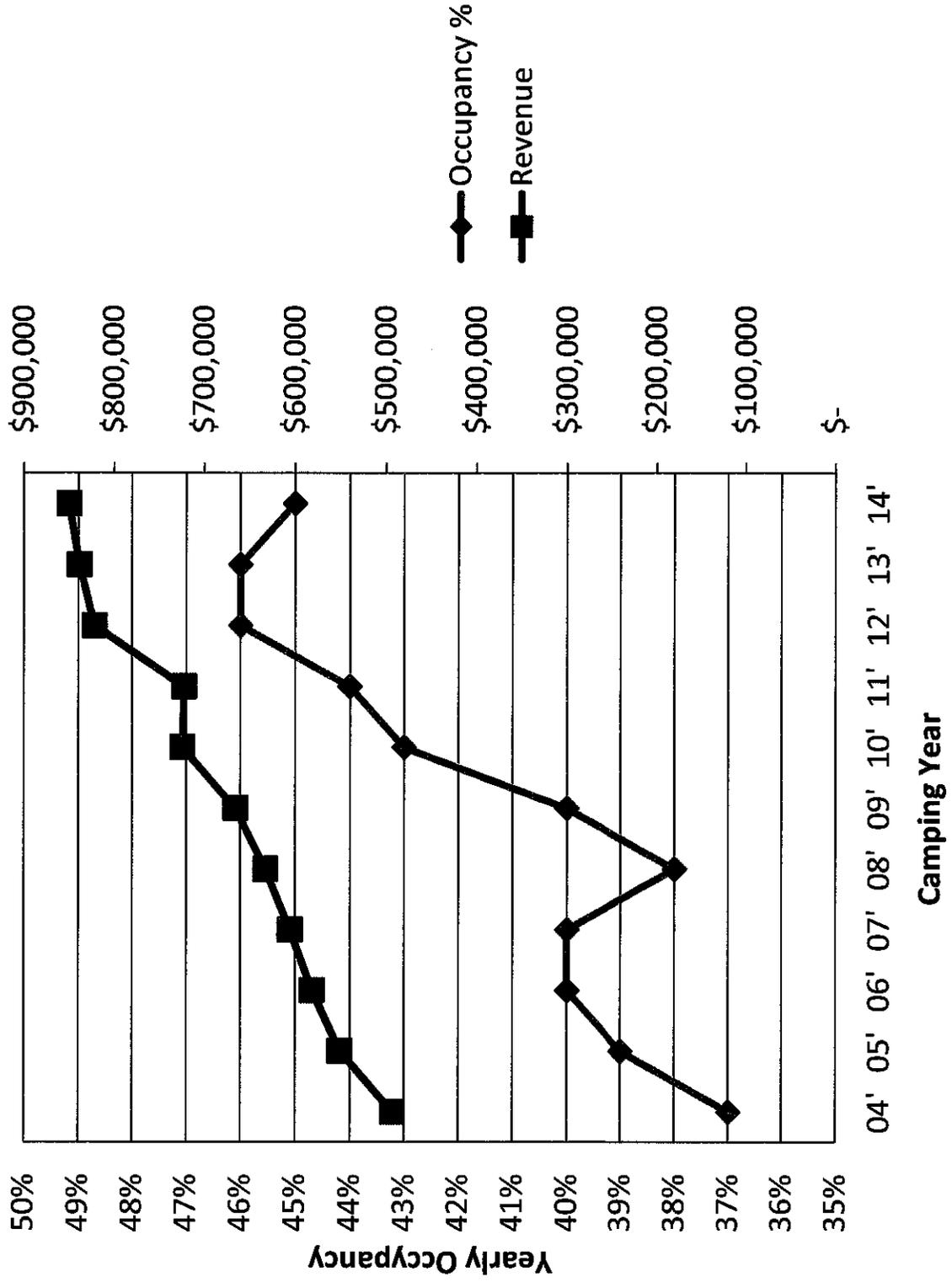
2014 revenues are now mostly in and here's how we finished:

<u>Fee collected</u>	<u>Budget Projection</u>	<u>Actual</u>	<u>2015 budget projection</u>
Camping nightly fees:	\$475,609	\$538,180	\$510,000
Camping monthly fees:	\$217,150	\$241,766	\$225,000
Marina fees:	\$42,500	\$44,295	\$44,000
Fuel sales:	\$42,000	\$31,589	\$42,000

Now, considering flat occupancy rates, actual amounts for 2015 camping revenue could top \$550k for nightly fees and \$246k for monthly, outpacing our budget projection by \$61k (8%).

2014 was a very bad year for fishing with cold water on Lake Superior; our fuels sales in the marina were down 25% from budget (a "normal" season), which amounted to over \$10k. 2012 was a HOT summer with great fishing; fuel sales topped \$54k and again around \$40k was budgeted. This is a tough revenue to predict.

# Rec Park Occupancy/Revenue History



**City of Grand Marais**

**Historical Levy and Spending**

	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>% Increase</b>
General Fund Spending	1,771,960	1,825,997	1,863,218	1,893,496	1,742,935	1,842,807	5.73%
Property Tax Levy	802,657.38	825,997.43	815,057.51	824,152.44	824,152.44	832,059.41	0.96%
Effective Tax Rate	47.66%	48.17%	52.13%				
REVENUE	\$601,801.59	\$650,879.50	\$638,573.53	\$634,006.34	\$597,053.35	\$658,360.09	
S/W REVENUE BONDS 1980							
2005 REFUNDING	\$47,713.63	\$45,856.70	\$49,908.13				
2004 PFA LOAN	\$32,292.25	\$31,757.32	\$31,811.13	\$31,838.38	\$31,839.06	\$31,813.18	
G.O. IMPROVEMENT 2004	\$43,229.75	\$42,133.46	\$41,479.84	\$40,085.96	\$14,250.71	\$0.00	
G.O. IMPROVEMENT 2005	\$24,870.90	\$29,252.35	\$28,512.10	\$27,042.10	\$32,856.50	\$36,489.50	
G.O. IMPROVEMENT 2008	\$52,749.27	\$26,118.10	\$24,772.79	\$26,977.79	\$21,887.73	\$23,449.60	
G.O. REFUNDING 2009 EDA				\$64,201.88	\$68,058.00	\$65,781.19	
G.O. REFUNDING 2013A					\$58,207.10	\$16,165.85	

**City of Grand Marais  
2015 Draft Budget and Spending History**

Department	Expenses						Use of Fund Balance	Levy	Ratio 2015/2014
	Actual			Budget					
	2010	2011	2012	2013	2014	2015			
Clerk/Administration	243,375	248,871	327,035	407,937	253,596	279,583	386,687	(107,104)	110.2%
Planning & Zoning	24,771	25,837	26,380	26,558	27,554	27,851	4,500	23,351	101.1%
Buildings	59,925	59,202	52,293	59,170	86,524	103,318	59,400	43,918	119.4%
Public Safety	254,571	221,716	206,344	443,206	230,257	247,825	52,414	195,411	107.6%
Streets	168,218	223,458	259,216	228,050	341,469	384,146	815,600	384,146	112.5%
Rec Park	395,990	518,400	433,435	471,397	591,784	582,665	-	(232,935)	98.5%
Pool	292,143	296,232	244,773	231,600	-	-	-	-	-
YMCA	-	-	-	-	110,000	115,000	-	115,000	104.5%
Boat Harbor	107,755	57,566	77,851	65,070	73,291	74,314	91,250	(16,936)	101.4%
City Parks	23,888	31,118	28,121	27,345	28,460	28,105	-	28,105	98.8%
<b>Total Gen Fund</b>	<b>1,570,636</b>	<b>1,690,771</b>	<b>1,655,447</b>	<b>1,960,333</b>	<b>1,742,935</b>	<b>1,842,807</b>	<b>1,409,851</b>	<b>432,956</b>	
Library	243,364	231,382	264,911	263,637	261,621	285,064	149,532	134,667	
Storefront Loan	27,500	30,000	21,853	-	-	-	-	-	
Cable TV	10,951	597	-	-	-	-	-	-	
Debt Service	371,537	463,418	1,155,115	534,727	973,035	934,298	-	173,699	
Capital Projects	35,000	53,271	-	51,544	71,696	70,737	-	70,737	
Liquor	1,557,165	1,592,606	1,676,400	1,767,685	1,729,343	1,729,343	-	-	
Golf	146,880	160,078	164,416	179,535	20,000	20,000	20,000	20,000	
Water	404,495	438,040	410,924	423,441	415,486	415,486	414,958	-	
Sewer	633,380	620,735	986,887	588,408	569,827	577,445	577,445	-	
Electric	2,426,857	2,462,473	2,411,797	2,542,717	2,520,613	2,573,579	-	-	
<b>Total</b>	<b>7,427,766</b>	<b>7,716,579</b>	<b>8,747,750</b>	<b>8,312,026</b>	<b>8,304,356</b>	<b>6,718,888</b>	<b>1,559,383</b>	<b>832,059</b>	

general levy 658,360

# City of Grand Marais

## MEMO

TO: Mayor Carlson  
City Council  
FROM: Michael J Roth, City Administrator  
DATE: December 5, 2014  
SUBJECT: KGM Mediated Settlement

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The mediation between KGM Contractors, Inc., the EDA, and the City on Tuesday, December 2 resulted in a tentative settlement. I attended with our LMCIT appointed attorney Pete Mikhail and our claim supervisor Ron Treger. See the attached summary of the agreement. The mediation was conducted in the blind, meaning the parties were kept separate and only saw their portion of the settlement.

The City would make an \$80,000 payment to KGM, and receive a full and final release from claims. We will make this payment with the funds received from FEMA for the business park work (\$68,000) and the remainder of the construction account (\$12,000). LMCIT will also contribute \$7,500 toward the settlement on the city's behalf. No City funds are part of the EDA's required payment. I recommend approving the tentative settlement.

**City of Grand Marais / Economic Development Authority /KGM Contractors, Inc.  
Mediated Settlement Agreement**

December 2, 2014

Parties agree as follows:

1. They received the statutory mediation disclosures in Paragraph 2 of the Mediation Agreement.
2. This Agreement is binding and enforceable after approval by City Council of GM and Board of EDA. If not approved by both, this Agreement is null and void.

Meeting Dates: EDA: December 9, 2014

City: December 10, 2014 (maybe) \$ by end of year

3. KGM agrees to accept sum on Exhibit "A" and City and EDA agree to pay sums set out on Exhibits "B" and "C" respectively. Some portion of EDA's payment is over time.
  - A. Pending action dismissed with prejudice.
  - B. Any claims between EDA and City regarding project are fully and finally released, including claims regarding any funds City might be holding regarding 2006 work.
4. Parties agree to a mutual release of claims, except for obligations hereunder.
5. Settlement subject to:
  - A. EDA signing 2 NPDES permits
  - B. Confirmation that EDA has received 2006 project closeout documents from KGM.
6. Mediation fee split 3 ways.
7. Payments over time by EDA secured by a confession of judgment for \$100,000 less any time payments made to date of default (15 day cure period). KGM entitled to reasonable attorney's fees for collection if any periodic payment is missed and not cured.

**KGM Contractors, Inc.**

By \_\_\_\_\_ /s/ \_\_\_\_\_  
Thomas Kuas

**Economic Development Authority**

By \_\_\_\_\_ /s/ \_\_\_\_\_

Its President

**City of Grand Marais**

By \_\_\_\_\_ /s/ \_\_\_\_\_

Its City Administrator

## Upcoming Meeting Schedule

Updated December 5, 2014

### DECEMBER

Date/Time	Meeting	Location
Wednesday, December 10, 5:00 p.m.	City Council Meeting	Council Chambers
Wednesday, December 10, 6:00 p.m.	Truth In Taxation	Council Chambers
Wednesday, December 31, 4:30 p.m.	City Council Meeting	Council Chambers

### 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