

MARY MACDONALD COMMITTEE

2:30 P.M.

Wednesday, August 13, 2025

Present: Steve VanHouse
Shane Hoff via ZOOM
Juel Salveson
Joe Baltich via ZOOM
Gary Thompson

Lana Fralich, City Administrator
Mary Hoffman, Bay Area Historical Society
Shannon Williams, Dilly Dally Shop
Debbie Russell
Shelley Cheney

VanHouse called the meeting to order at 2:30 p.m.

Agenda – Motion by Thompson, seconded by Salveson, to approve the agenda as presented.
MOTION CARRIED.

Minutes – Motion by Thompson, seconded by Salveson, to approve the minutes of the February 12, 2025 regular meeting. MOTION CARRIED.

Communications- None at this time.

Building Managers Report – Salveson reports the yearly fire sprinkler check went well, boiler inspection is on August 19, inspections of fire alarms will take place in two weeks. There are broken ceiling tiles from pallets, illegal dumping of oil and driveway sealant cans in the dumpsters, and water is coming into the boiler room from an unknown source. Salveson will contact water department to take a sample to determine if the water is ground water or city water. Discussion on shift work has started at Wilderness Family so the building is open more hours to accommodate, roof on the County end is getting worse and leaking, and issues with power and amount of stuff in the sewing room causing concern, and multiple items plugged in and blowing many fuses. It will be suggested to business owner to rent another room to accommodate the excess and City Administrator Fralich will contact Jim Rich, building inspector. Discussion on loading dock repairs, mice, lack of blame for damage to the loading dock, and needing to install cameras in the area.

OLD BUSINESS

Building Operations-

Questionnaire- Committee reviewed the results from the questionnaire sent to tenants of Mary MacDonald building including rental increases, what businesses can do to save costs, what the city can do to save costs, and priorities for repairs to the building.

Budget 2024 and 2025- Committee reviewed 2024 and 2025 budget, currently the 2026 budget is in process. The County may drop some rooms resulting in decreased rent revenue, there has not been any new business inquires, and there has not been a levy for the Mary Mac.

Building Repairs-

Kraus Anderson Feasibility Study Proposal- Kraus-Anderson submitted a proposal to conduct a facility assessment at a cost of \$11,240 to determine exactly what needs repair and priority.

Jamar Proposal- Jamar has submitted a proposal to complete roof repair and side sheeting. This does not include any interior repairs. Discussion regarding funding sources, the congressional direct spending application was not funded, that the Mary Mac building repairs have been submitted as part of the bonding bill, and IRRR requirements.

MN Rural Water Loan/Debt Information- Committee reviewed funding provided by the MN Rural Water. Discussion on qualified loan amounts, the maximum of \$1.3 borrowed with an 8 year term and the tax levy burden placed on tax payers, long term commitments from tenants, gathering public comments and possibly put to a referendum if it qualifies, timing and need for repairs, magnitude of repair costs, other taxpayer burdens already being placed on the residents. Further discussion regarding creative funding sources, demo of old building and building a new business center, better funding if a private entity owned the building, the County's commitment and help, funding through MN Historical Society, DEED, USDA, and Federal funding sources. Consensus of committee is to have Council call for a joint meeting of Council, Mary Mac Committee, and tenants to brainstorm the fate of Mary MacDonald building.

Insurance Repairs- The current insurance claim will not pay to replace roof but will pay to repair plaster walls on the North side of the building. Discussion regarding repairing the wall now but the potential damage to the walls again in the future from the leaking roof.

NEW BUSINESS – None at this time.

Motion by Thompson, seconded by Salveson to adjourn at 3:35 p.m. MOTION CARRIED.

Minutes taken by Lisa Christenson