

AGENDA
CITY OF BEAVER BAY COUNCIL MEETING May 10, 2016

Call to order at; 7:00 pm

Attending; Mayor Linda Malzac, Council Persons; Justin Viken, Barb Sterett, Nancy Krull and appointed at council meeting Ruth Maki.

Public Attending: David Kindstrand, Tom Harris, Debbie Anderson, Carol Krynski

Approval, changes, additions, deletions to agenda

No additions or changes noted. Motion to approve Justin Viken, second by Nancy Krull, vote 4 in favor none opposed.

Passed

Approval of minutes: April 5, 2016

Motion to approve as read Barb Sterett, second by Justin Viken, vote 4 in favor none opposed.

Passed

City Clerk and Council reports.

Clerks Report May 3, 2016

1. Christine Circle: SEH Engineering has done core samples for Christine Circle and are working on final plans and bidding documents. Right away issues on agenda.
2. Water Plant: We received 2 bids one for \$580,500. From Lakehead and one for \$534,800 Magney (who are currently working on Silver Bay) MSA the engineering firm are reviewing the bids but have found no problems. Paul will be watching construction to make sure they deal with the old intake properly. (Our share will be 10% of the bid and is on the agenda.)
3. We got a quote on new meter reader heads for water meters. Current one reads to the 2000 gallons, new ones would read to the 1/8 of gallon so we could more accurately charge for the water and detect leaks quicker. It would eliminate the need for workers to go up to each house but just drive by and electronically read the meters. That information would then transfer to the computer system eliminating reporting errors. Estimate from 1 source is \$39,000.
4. The 2 fire trucks are gone, 1 oxygen tank left that was sold but not picked up yet. We sent check last week to Weedsport NY as they agreed to get duplicate title for the 3rd truck and send to us.
5. Fire relief fund audit is done but the final report is not in yet.
6. Auditors were here and we have gotten the report back and I had an exit conference. (report on agenda)

7. Attended CTAS training in ST. Paul 4/25/2016 learned some helpful information for budget and correcting issues in our CTAS reports. I am working on a 2016 budget and then 2017.
8. I have begun attending Lake Co Mountain bike trail meetings and I am advocating for possible trail head at apt complex as an option.
9. Larry and Jim missed safety training in Silver bay April due to my misunderstanding of the date and problems with lift station. Larry passed his Test and is licensed as Waste Water plant operator. Jim is set to attend training in Two Harbors in May.
10. Green Door. Land use permit was issued and we are still waiting for final plans (which should be here any day) and cost to proceed. Mike the Manager is following through on plans. Had Plumber in to clean out drains.
11. Wayside Rest: we are working on getting pop machine. Now have all information thanks to Barb and am working on having electricity to be installed. After discussion with some council members Maintenance opened parking lot April 28 and rest rooms are scheduled to remain closed until May 15. Maintenance employees are checking the garbage and Ellie is watching for garbage and dog droppings every couple of days.
12. 2 requests for land use permits and building permits. 1 garage and 1 deck.
13. Job performance reviews were done on all employees by their direct supervisors.
14. Summer help. Blake will not be returning, as it is we think we may be able to handle the work load but may need to add some part time help if it gets to be too much.
15. I am currently working through an accounting issue with AEOA on the DEED program.

Nancy Krull: Attended North Shore Climate change where research about how climate change would affect our area. There is a report and pamphlet that will be released. It contains a lot of good demographics on visitors to the north shore area and could aid in long term planning.

Barb Sterett: The Liquor commission is proceeding with work on addition to off sale, the engineer has taken dimensions and is finishing up the plans and cost estimates. Mike is working on finding someone to fix the keg sign neon lights. The Green Door is holding the Second Annual Summer Shoot Out Saturday June 18, 2016 10am to finish.

Linda Malzac: Linda attended the Meeting in Silver Bay on the ½% sales tax for road maintenance. The County Commissioners will vote on it for a specific amount to fund specific county road projects. They presented a Map of proposed projects.

Old Business:

1. Council Position

Two applications were submitted for the open city council seat; David (Buddie) Kindstrand and Ruth Maki. A vote was taken existing council using written ballot and Ruth Maki won. Ruth was then sworn in by the City Clerk and assumed her position on the council.

2. Beaver Bay Township rent

The proposal presented by the Beaver Bay Township Board was discussed.

It was then moved by Nancy Krull to accept their offer of \$150.00 per month rent including utilities as provided now, not to include internet services, from January 1, 2016 to December 31, 2016, a second was made by Justin Viken and the vote was; 5 in favor, none opposed.

Motion passed.

3. Christine Circle right of way issues

The council reviewed the survey map for the Christine Circle street project and agreed there was a right away issue and requested the clerk to contact the city Attorney to address the issue. It was noted there may be conflict of interest issues with the clerk and 1 board member and the right of way as they own land adjoining the right of way issue.

4. Water Plant improvements

Bids for new intake have been opened as noted earlier and reviewed. The bid of \$534,800 would be funded 90% by the Petro Fund and 10% would be the City of Beaver Bay's responsibility. A motion was made by Ruth Maki to approve the 10% match of \$53,480 for the new intake water project, second was made by Nancy Krull and the vote was; 5 in favor , none opposed.

Motion Passed.

New Business:

1. Lake Co Mountain Bike Trail System

There was a discussion about the proposal for a new mountain bike trail in Lake County. The clerk has been and will continue to attend meetings to advocate for trail head to include the area land owned by the city around the apartments as an option and report back to the council. Information from the meetings will be available at the city offices.

2. Wayside Rest Dates

Discussed opening the parking lot of the wayside rest as of April 28, 2016 with the rest rooms to open May 15, 2016 and the council was in agreement. The dates for closing will be discussed in the fall with the idea it would be nice to have the parking lot open when people are traveling in this area for the fall colors.

3. Lake County Parks & Recreation Board and also about the Bay to Bay TRAIL Run on July 9th.

Clerk presented a report prepared by Janet Strand, the city's rep on the Lake County Parks & Recreation board. It was noted we must the playground project done by September or we will have to return the funding. The clerk will contact the contractor that started the project to discuss the time line to finish the project. The Bay to Bay run was discussed and it was posted on the city website. Volunteer help will be needed at the finish line.

4. Audit Report

Audit report was reviewed with 3 issues identified which include 1. A truck was bought for over \$25,000.00 without 2 bids; remedy was to make sure state guidelines are followed on all purchases. The truck was to replace a snow plow truck and time was of the essence. 2. Lack of separation of duties. Due to small size of the city it is difficult to remedy this issue but having annual outside audit puts in some controls. 3. No City budget. Remedy; the clerk will work with the accountant to set up budgets.

5. Correction in CTAS

We have had a problem with our accounting system only being accurate if cash control statements are run from January 10, 2012 through the current. I discussed the issue with the state Auditor's office and tried to resolve it. After many attempts he suggested we adjust the

beginning balance of January 1, 2016 to correct the problem after council approval and documenting the change and reason for the change. After discussion The City of Beaver Bay Resolution 2016-1004 to change the beginning general fund account balance from \$730,657.56 to \$718,273.57 a difference of \$12,383.57 was made and voted on as follows: Malzac aye, Viken Aye, Krull Aye, Maki Aye, and Sterett Aye.

Resolution by the City of Beaver Bay 2016-1004 Passed

6. Community Center Fees

A discussion on the lack of use of the community center was held. One of the barriers found that has led to lack of its use was the cost associated with renting it. It was discussed by Councilor Sterett that community use was part of the mission of building the center and some of the funding was obtained on the idea of community use. A review of the cost associated with the use of the center ensued and it was determined to lower the cost for local citizens for the use. A motion was made by Barb Sterett to charge \$25.00 for local none business use, continuing to have the normal damage deposit, second by Ruth Maki and the vote was; 5 in favor, none opposed.

Motion Passed

7. Unit 1 Lease

Unit 1 rental agreement is up soon and they requested a longer lease then the previous 1 year lease. After discussion the council gave the clerk approval to offer a 3 year lease with the current rent plan included.

Public Comment: Tom Harris voiced concern about the amount the Beaver Bay Township pays for the space they use. Barb informed him of the analysis she had completed for the last council meeting. Council person Viken verbalized that the amount should be consistent to what we charge other tenants. Tom Harris voiced the cost and what they pay should be reviewed on a regular basis so it doesn't go 15 years and the agreement is fair to the citizens of Beaver Bay and the township.

Carol Krynski brought up the issue of water fees and wondered if they had been looked to see if they are still appropriate based on cost. She also questioned if all services are now being charged according to metered supply. The clerk is in the process of completing a budget so we will have the figures of the cost to provide the water and the current fees. The clerk will also research if all services are based on metered supply. Tom Harris gave input as to the cost of the water system, pointing out the \$53,000 current cost for the new intake which is just 10% of the overall cost.

Claims List: The claims list was reviewed and a motion was made by Justin Viken to approve them, it was second by Barb Sterett: vote 5 in favor, none opposed.
Motion passed.

Adjourn: Motion was made by Barb Sterett to adjourn, second by Nancy Krull: vote 5 in favor, none opposed.

Adjourned 8:21 pm