

**MINUTES OF THE COUNCIL OF THE CITY OF BEAVER BAY, MINNESOTA
FOR MARCH 28, 2013**

PRESENT: Shamblin, Nazian, Harris, Malzac, Larson

ABSENT: None

OTHERS: Todd & Carol Krynski, Kelly Martin, Paul ----

Mayor Shamblin called the meeting to order at 7:00 pm.

Agenda:

Three items were added to the prepared agenda: Under New Business, Northern Lights Roadhouse liquor license renewal and Honey Bee Baker inoperative light fixture and at end of agenda, closed session to discuss union contract negotiation matters. The Kelly Martin loan request was moved from New Business to the first item under Old Business. Nazian moved, Harris seconded to approve agenda as amended. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac Larson.

Approval of Minutes of Previous Meetings:

Harris moved, Malzac seconded to approve the minutes of March 14 regular meeting and March 19 emergency meeting. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac Larson.

Council Reports:

Shamblin referred to grant training workshop information provided to members of the council and asked if attendance would be useful and if any member wished to attend. Consensus of the council was to pass on participating.

Malzac reported that she met with the underwriter for Green Door liquor liability insurer. The Liquor Control Commission will coordinate ongoing liquor service training for our bartenders as well as training on how to deal with emergencies. The underwriter said current practices were satisfactory. Some additional renovation was found necessary—replace entrance carpeting, ceiling fan and some electrical switches. She asked if city should continue with the present security firm and Nazian advised that we should. The floors need to be sanded and recoated but cost would be about \$6,000. The commission will look at lower cost alternatives. In response to her query as to whether the city could make a donation to the high school for some student work, the consensus of the council was that the Commission should recommend what would be done and the suggested donation. Harris moved, Nazian seconded approving the replacement of entrance carpeting, electrical switches and ceiling fixture as well as some vinyl flooring. Malzac agreed to secure from Van House Construction the cost for this additional work and return the matter to the council if he deems the cost to be unfeasible at this time. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac Larson.

Old Business:

Kelly Martin Loan Request for Aid in Reopening Blue Anchor Restaurant: Ms. Martin stated that she realized the council had concerns about her lack of experience in operating a restaurant but she has

experience in running a commercial kitchen and that the Blue Anchor owner has ten years of restaurant experience and would be her mentor. Nazian reiterated his and the council's concerns as outlined in his analysis provided to the council and to Ms. Martin, especially the lack of a track record in managing a restaurant, the low level of Ms. Martin's own investment, the uncertainty of the value of the loan collateral, lack of detailed cash flow analysis, the sketchiness of the expense budget and our unfamiliarity with her commitment to Beaver Bay. Martin said she was committed to the city and indicated a passion to succeed. Following questions and comments by council members and statements about risking city funds given the council's concerns, Harris moved, Nazian seconded to decline the loan request at this time but if the business is established and better financial information (current history of receipts and expenses) is developed and the business still needs assistance that the request could be renewed. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac Larson.

Public Works Staffing:

Harris reported that Maintenance Technician Andy Morris is willing to work full-time to replace Zach Meyer who earlier resigned. He stated that if approved, the city would have to notify the union, that Paul Borrell is willing to assist Morris with water and sewer plants and that we would still need to employ a part-time maintenance technician. Harris moved, Malzac seconded to employ Morris full-time, effective 3-30-13 at \$14 per hour plus health insurance (insurance eligibility within 30 days), and authorize filling the resulting part-time position. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson. Harris suggested placing an advertisement in the North Shore Journal.

City Clerk Candidate Interactive Day:

Nazian referred the council to the material included in the meeting packet and particularly the proposed interactive day tentatively set for April 6. After some discussion, consensus of the council was that all of the interactions with the exception of the public roundtable could be conducted by council members next week as convenient but the public roundtable should be held from 3-4:30 pm Saturday, April 6, at the Community Center. Council members scheduled for individual interaction with the candidate, Irving Hudyma, should inform Nazian of the days and times they will do so. Nazian will invite representatives of residents and businesses to participate and a notice will be posted inviting the public to participate.

New Business;

Employee Health Insurance

Nazian noted that, at present, no city employee is active in the city's group insurance plan and thus none would be directly affected and suggested that in the interest of controlling city expense that employee enrollees in the future should contribute 20% of the cost of health insurance. Nazian motioned that this become the policy of the city. Malzac seconded. Discussion brought out that this 80/20 contribution towards health insurance premiums is in line with current practice in other cities and businesses in the United States and Minnesota. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson. Harris noted that we must send a letter to the union about this amended city policy and that he will follow up on that. Harris motioned that the city discontinue its contribution to employee

VEBA, which funds co-pays and deductibles. Larson seconded. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson.

Renewal of On-Sale Liquor License for Northern Lights Roadhouse:

Shamblin said the on-sale liquor application had been returned by the sheriff's department with no citations noted. Harris moved, Malzac seconded to approve renewal. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson.

Honey Bee Bakery Lighting Fixture:

Consensus of the council was that subject to a review of the lease, it is likely the city's obligation to repair or replace the fixture. Nazian will follow up.

Claim List:

Shamblin added to the claim list an invoice from Sawtooth Electric for previously council-approved electrical work at the Green Door. Harris moved, Larson seconded to approve the claim list with the addition of the Sawtooth invoice. Motion approved, voting aye: Shamblin, Nazian, Malzac, Larson.

Public Comment:

There were no public comments.

Closed Session:

Shamblin moved, Nazian seconded to close the public session and enter a closed session for the purpose of discussing developments related to union contract negotiations. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson.

Discussion ensued about status of the union contract. Concerns of Green Door employee concerns were noted.

Nazian moved to adjourn the closed session, Harris seconded. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson.

Harris moved, Larson seconded to adjourn the council meeting. Motion approved, voting aye: Shamblin, Nazian, Harris, Malzac, Larson. Meeting adjourned at 8:45 pm.

Minutes recorded by Shamblin