

**Minutes**  
**CITY OF BEAVER BAY COUNCIL MEETING June 7, 2016**

**Call to order 7:00pm Present:** Mayor Linda Malzac, Council Persons: Justin Viken, Nancy Krull, Barb Sterett, Ruth Maki and clerk/treasurer Tim Anderson

**Public present:** Debra Anderson and Tom Harris

**Approval, changes, additions, deletions to agenda.** Motion made to accept agenda as presented by Viken, seconded by Sterett, : vote aye 5, nay 0

*Motion Passed*

**Approval of minutes: May 10, 2016** Motion made to accept minutes as written by Krull, seconded by Sterett vote: aye 5, nay 0

*Motion Passed*

**City Clerk report**

**Clerks Report June 7, 2016**

1. Christine Circle: Attorney was contacted and researched issue (see email distributed) and gave us the options. Attorney was given the approval to contact the property owner with the right of way issues and begin the process but wanted to wait for council approval. We will need temporary right –of –way from owner of property in north east corner of Christine Circle and Rose Lane intersection to fix corner and 2 permanent easements along south Christine Circle for water drainage.
2. Water Plant: Engineers are working with contractor and petro fund to get a start date.
3. Fire Dept.; 1 oxygen tank left that was sold but not picked up yet contact due bid 6/2/2016. I am still waiting for Title from Weedsport, they have obtained and sent the duplicate to us on June 6 and then we will place the truck on Dobid. Fire relief fund audit is done and the reports have been filed with the state. The relief fund has assets of \$134,103 and a liability of \$60,930 which will leave a surplus of \$73,173. One item in audit indicated there was a \$1000. Relief fund grant from 2013 that was not applied for so I checked on it and it is past the date that were eligible to apply.
4. I have continued attending Lake Co Mountain bike trail meetings and I am advocating for possible trail head at apt complex as an option. A number of Beaver Bay area residents attended the public meeting on May 25<sup>th</sup> and had a chance to voice their concerns and show support. Next and final meeting of the steering committee will be June 13, 2016. Lake Co will then apply for Legacy Funds grant and await approval.
5. Safety training: I am currently working with LMCT to get the safety training they are required to have. I switched my training from the LMCT state general training on June 14 to the one specifically for beginning clerks August 4<sup>th</sup>.
6. Green Door: We have final plans and are awaiting cost estimate to proceed. Mike has some concerns about starting at the peak of tourist season so we are getting guidance on

how late we could start construction and avoid the busy season. We have been looking at the POS system we have and we know it misses some data we would like to have (clothing sales rang up in on-sale are not able to accounted for in apparel code). As indicated by the audit report it is difficult to have separation of accountability with our system and some inventory problems. We have gotten some bids on trying to fix our system and Mike is getting bids on a possible upgrade to a newer system. Mike has also put together an order for apparel.

7. Wayside Rest. Open and running Maintenance employees are checking the garbage and Ellie & Kim are cleaning daily. Pop machine placement got a setback as Bernicks will no longer place machines outdoors due to high vandalism rates. Contacted Coke Dist. and they will get back to me on pop machine, it sounds more promising.
8. Accounting issue with AEOA on the DEED program. We discovered that the problem we had was that AEOA had not requested disbursement of approx. \$10,000. From the program grant. They are correcting that issue. There will be a Deed monitor meeting June 21 @ 1:00pm.
9. Park & Rec: Play Ground/ Safety 1<sup>st</sup> were here June 2 to review the moving of equipment and gather information for a bid. They brought up issues of safety, ADA and compliance. When looking at the area they had concerns about it being too small to fit code and being isolated. They saw the area across from the upper portion of Christine Circle and thought that would be a more acceptable placement. The plan is to move the merry-go-round but make it stationary and to code to limit liability.
10. City Beautification: Working on placement of signs. Beaver Bay sign location is now set for somewhere around corner of Hwy 61 and McDonald. John Beargrease sign is to be placed by Historical/Information center. MDOT says they can be placed in right of way and sent me requirements. We will need to pass resolutions and send to MDOT with a letter of request. We have an estimate on cost of putting in Beaver Bay sign.
11. We received a refund check from the IRS for \$10,466.21 due to an over payment in 2013.
12. There will be a meeting June 14<sup>th</sup> @ 1:00pm with MDOT on the bridge project. We have 1 light pole on each end they want us to pay to move.
13. Letters were sent on delinquent water bills. Some just as a reminder if 3 month due other warning them of legal actions.
14. I am working on trying to collect on old debts from EDA loans, back water and rents.

### **Council and Committee reports.**

**Liquor Commission, Sterett;** Green Door had Karaoke June 4<sup>th</sup> and sales were around \$1200.00, normally we are seeing \$400.00 on a Saturday night. Mike is currently working on an apparel order to replenish stock. Our current POS system doesn't track apparel and food sales

well on our on sale system so we may need to upgrade. There appears to be a lack of awareness about the event scheduled for August so Viken will get the information so that Sterett will begin attending the meeting and bring back more information.

### **Old Business:**

1. **Beaver Bay Township Lease:** The Beaver Bay Township board reviewed the lease agreement and requested it be changed to a 5 year lease and no deposit. It was agreed to remove the deposit however stay with the offer of a 1 year agreement for this year.
2. **Christine Circle right of way issues:** After discussion in clerks report and review of the additional information about the need for additional right of way for the drainage a motion was made by Sterett to have our city attorney contact the owner and begin the process of correcting the right of way issue by Sterett, seconded by Krull, vote: Aye 5, Nay 0.  
*Motion Passed*
3. **Green Door off sale addition.** The plans for the addition were presented. It was discussed that due to the delays it may be an issue to start construction during the busy season. It was decide to research the total cost and the latest in the year we could begin the addition before proceeding.

### **New Business:**

1. **Placement of the Beaver Bay and John Beargrease signs resolution:** Reviewed placement of the signs as discussed in clerks report. The council reviewed and approved a letter to be sent to MNDOT requesting placement. Approved RESOLUTION 2016-1006 CITY OF BEAVER BAY RE: AUTHORIZE EXECUTION OF A LIMITED USE PERMIT BETWEEN THE CITY OF BEAVER BAY AND THE COMMISSIONER OF TRANSPORTATION, STATE OF MINNESOTA.  
Roll Call: Malzac –Aye, Krull – Aye, Viken – Aye, Sterett – Aye, Maki – Aye.  
*Resolution Passed*
2. **Resolution for check signing Lake Bank adding the new council member.** Approved RESOLUTION 2016-1005 CITY OF BEAVER BAY TO AUTHORIZE CHECK SIGNATURES  
Roll Call: Krull –Aye, Viken - Aye, Sterett - Aye, Malzac - Aye, Maki- Aye  
*Resolution Passed*
3. **Public Repair Water hydrant.** The hydrant at the mobile station does not work; an estimate to repair came to \$3344.00. A motion to repair the hydrant was made by Krull, seconded by Maki, vote: Aye 5, Nay 0.  
*Motion Passed*
4. **Old Water Tower.** An engineering firm recently inquired about our intentions about the old water tower as they would like to move it and restore it for display. It was suggested we have a committee look at the options for moving, restoring or selling the old water tower and develop some recommendations.
5. **Fire Relief Audit.** The audit is completed and our attorney will be working with the state Auditor to complete the disbandment of the relief association and set up our responsibility's to manage the relief association funds.

6. **Access to rental units.** A discussion about lack of keys to one rental unit led to a request for the clerk to make sure we had access to all rental units.
7. **Green Door POS system.** The manager at the green door has identified some weaknesses and failings in our current Point of Sale system after Mayor Malzac and Council person Sterett were trying to identify issues on the daily total accounting. We also were given feedback from the audit that we have a weakness in accountability and separation. Mike has gotten estimates on 3 POS systems. Although one of the systems has a higher cost it is built for a Municipal liquor store that has on and off sale, which is what meets our needs. A motion to approve purchase of a POS system up to \$9,500.00 was made by Sterett, it was seconded by Krull, vote: Aye 5, Nay 0.  
*Motion passed*
8. **MDOT Bridge project.** There will be a project meeting for the work anticipated for the bridge over the beaver river at MNDOT office in Duluth June 14, 2016 @ 1:00pm, as we have 2 light poles that will be affected the council requested the clerk to attend the meeting.
9. Council called for a closed meeting to discuss employee evaluation and raises as authorized by Minnesota State Statute#13D.01

**Public Comment:** Water shut off and turn on fees reconsideration. Jim Northhagen had come in earlier in the day and voiced concern about the cost of water shut off and turn on for those leaving the area for periods of time.

After discussion the council decided to review the cost after the clerk gathering information about the arrangement with the Beaver Bay Club, cost of metering water and making sure all residents and business are properly metered.

**Claims List:** Claims were reviewed and a motion to pay the claims by Viken, seconded by Krull, vote: Aye 5, Nay 0.

**Motion Passed**

**Adjourn:** Motion to adjourn made by Viken, seconded by Sterett, votes: Aye 5, Nay 0

**Motion Passes**