

CITY OF FRAZEE

SPECIAL COUNCIL MEETING  
RE: THIRD CROSSING BAR AND GRILL  
Thursday, January 4<sup>th</sup>, 2018  
5:30pm

**Special Meeting**

The special meeting of the Frazee City Council was called to order at 5:30 pm by Mayor Hank Ludtke. Council members present were Mark Flemmer, Bonnie Julius, Ken Miosek, and Mike Sharp. City staff present: Denise Anderson, Administrator; Marian Estenson, Deputy Clerk; Tyler Trieglaff, Police Chief; Meghan Eastman, Third Crossing Manager; Jolene Tappe, Event Center Manager, Tom Winters, Frazee City Attorney, and several city residents.

Ludtke led the meeting with the Pledge of Allegiance.

**Special meeting single agenda item is the discussion of the future of the Third Crossing Bar and Grill**

Anderson ran through the financials in a breakdown of the On/Off/and White Pine Room. The breakdown showed a surprising amount of loss in the off sale instead of the expected On sale loss. That breakdown showed a loss in the Off Sale of \$-87,045.50, profit in the On Sale of \$1,337.17 and a profit in the White Pine Room of \$644.53. The Spreadsheet Anderson had generated is a monthly breakdown. Also looking at Expenditures, Eastman noted that the inventory at the end of 2016 was valued at \$41,409.63 and at the end of 2017 at \$91,449.00. That showed an increase of inventory of \$50,000. It was also noted that there was no food listed on the inventory. Anderson also reported that the beginning of a new checking account for the liquor store would be \$53,193.20.

Mike Friesen, Hawley Liquor Store, stated that as a former MMBA member, that there is the possibility of outreach by that organization to assist Eastman in bring the facility back to a profitable business. Friesen stated that he would offer help in anyway he could. Although Hawley only has an off sale, his background is with both.

Some of the recommendations are: Anderson to remove the ATM machine and allow a private enterprise to take that service; creating a new checking account for the Third Crossing; closing Sundays; lower the numbers on staff by having customers pick up their order instead of having extra wait-staff. It was also noted that the software at the facility should have the capability to handle a better inventory system and to track movement of product between the Off Sale and the On sale and Event Center.

It was noted that the biggest expense is labor so the facility needs to track customer flow. Hours need to be set accurately.

Other items noted: the need to stay positive; cameras making customers uncomfortable, some of the council members do not support the facility; the Event Center blocks the view of the facility.

Final determination is that the we should continue the on and off sale and allow Eastman to make decisions as we go and try to obtain help from the MMBA.

ATTEST;



Marian Estenson, Deputy Clerk