

Osakis City Council – Special Meeting-Regarding Liquor Store
August 30th, 2018
7:00 PM

Present: Randy Anderson, Jim Snyder, Keith Emerson, Jerry Olson, Justin Dahlheimer

Absent: None

Others Present: Angela Jacobson, public signed in 75 people were in attendance

Meeting called to order by Mayor Keith Emerson at 7:00 p.m.

Pledge Spoken

Motion by Snyder, seconded by Dahlheimer, to approve agenda. All Ayes

Kip read rules for public hearing. Angela read over graph provided for the public's knowledge.

Darrin Hensley-Off Sale-is it even making any money? He had a suggestion that the management needs to look for promotions to get people there and felt like nothing has been done.

Becky Grove-Revenue and Expense were not shown on this graph, and were there no changes in profit-the Public needs more information for a full picture. What date was the Liquor Store originally opened? It was opened in 1937.

Jim Planty-If the liquor store does close, where are people going to go we need the Liquor Store-Businesses have ups and down all business need time to evaluate- address each issue in the down trend. The town needs places for people to socialize at.

Barb Tillbury-Last meeting the council discussed the kitchen and office but no action has been made. To get a kitchen in it would be roughly \$18-20 Thousand Dollars. Need more information, but looking to expand to a short order grill and offer a menu.

Paul Hartmann- Stated \$700,000 expense (30%), of the total expenses of the liquor store are \$330,000 and payroll is \$210,000 of that amount. He states that payroll is too high and that is the problem and the solution is to cut payroll.

Ken Haze- The muni has a lot to offer town: Bargo, Meat Raffles and more. What message is sent by the city if it goes out of business and all who benefit from having more options in town. Think about more ideas than to close.

Brian Sorenson- Make the Liquor Store more of a tourist destination. It is a starter to get people into town and to use other businesses. Closing it is one thing. Make some changes and keep it going. Make it positive and keep marketing to the tourist.

Becky Hensley- Information on expenses. Does the expense account for all the maintenance? The OEDC pays rent for the pull tab booth and that helps to account for part of the profits for on sale. Are you accounting for the cost to pay taxes that other businesses have to pay?

Terry Hetland- Wanted to know how much each employee made and what their wages are. Was told that he can request that information at the City Hall. He said taxpayers should know how much they are paying in wages, should look at off sale only don't keep losing money.

Donna/Volwalla- Concerned that the restaurant inside the liquor store will be a competition with the other local restaurants and that it isn't fair.

Linda Hazz- Really enjoys all the restaurants in town and doesn't want to see any of them shut down. Need to put money into businesses to make money. Off Sale shows the loss most years.

Tony VanAcker- Off /On comparisons what makes money is it On-Sale or Off-Sale if one loses money or which one makes money.

Thomas-Weller- Solution to management, oversight done to keep Liquor Store open- Avenues to look at to expand. Liquor store expansion and the liquor store prices are higher than Alexandria for Off-Sale. Take out the bar and promote Tourism for off sale. Committee has to be made to look into what to do going forward.

Justin Dahlheimer- We have had meetings and proposed solution to analyze financials over and over what is worth while investment on return and what kind of feedback management has and no strategy is done-this meeting is to get a feel for what the community thinks needs to be done different is it better to keep it open and make the profit. MMBA was contacted on guidance for moving forward. But not seen Off Sale items implemented yet.

Jerry Olson- To offer food look to order items like chicken drummys and bar food ideas will help with the volley ball court leagues and what people want to eat. People follow people. Promotions are needed, this is a community effort. If you have ideas to help let us know and we can implement what can be done. This is your community store.

Matt Kruse- Owner of Knights Pub and Grub, he has been going to the Liquor Store for 20 years and feels like the off sale is no competition but promotes to help get people out to liquor store and helps the other establishments. With people in town, the police presence scares customers off.

Jim Snyder- Feels that volleyball courts and food go hand in hand and that the taxpayers are getting a benefit from the Liquor Store being open. If this boat has a hole in it then it needs to be worked on. The council has been working for the past 1.5 years to get people buying and promotions.

Kip Emerson- Salary is a business expense and a big expense and the city employees are union- no choice for them, but can request information at City Hall. Off/ On Sale losing money doesn't matter. If loosing off sale revenue improvements need to be made focus on revenue. Need to look at Revenues.

Dotti Norton- If having a kitchen and fast food they defiantly need more employees to run the kitchen. At this time the city is not looking at more staff.

Darrin Hensley- Employees at the off sale they need ideas that need to be explored for options to increase buying.

Laura Backes- Cares about the liquor store and doesn't want to see it close, brought up ideas on ways to find a way to make it work. Work to find a solution.

Kurt Kalpin- State of MN limits the amount of promotions and signage and the limit on advertisements.

Jim Snyder- On/Off sale should there be a curtain between the On/Off sale? Darrin Hensley brought up the idea a year ago. We have had many special meetings to discuss and to consider issues like cutting

wages, but to keep good bartenders we need to offer decent wages. Already cut one full-time employee. Focus on Revenue coming in not just on the expenses only.

Christina Saderid- How do other communities survive that have municipal.

Justin Dalheimer- MMBA report was reviewed 1 year ago. On-Sale items implements have been made, but have not seen the off sale implement for promotions outlined.

Sue VanAcker- Off-Sale how would it change if we could change from 2 full time to 2 part time employees. Also, if they worked less hours and if only off sale with employees.

Dan Dillabou- Competition in town for on-sale and off-sale only a small margin. Sticking more money into the Liquor Store doesn't seem like it is needed. Lease liquor store out there would be more income and no overhead.

Jerry Olson- Council answer and discussed that operation one wouldn't change much, not needing much staff now just two full-time employees. The liquor store was here first to help city tax payers, lets try to promote it to keep it open.

Rodger Larson- Council is a government job that is to uphold the constitution. The government should not be in competition with private businesses.

Brenda- We want all the choices of where we want to go. What will happen, will pull tabs close and lose more jobs. More people will be affected than you think. When Elbow Lake closed it had 3 years of losses. When Parkers Prairie closed it was after 10 years of losses.

Kip Emerson- Thank you all for coming tonight. Each council member spoke.

Randy Anderson- 10-year average \$52,000 has gone to the budget and it has given the town jobs here lets try to give it a chance and try new things to keep it going. Also, it helps to keep taxes down.

Jim Snyder- A lot of mixed opinions on how to make it work. The Alexandria Lakes Area brings beverage drinkers to the area and it would be nice to see it continue and for revenue to increase.

Kip Emerson- Let's take a hard look at this as we need to find something that works.

Justin Dahlheimer-New liquor licenses were voted in and agree it was a good choose for numbers and incomes in town, there is higher wealth with liquor licenses. Would like to see a liquor plan expansion of off-sale. Management cost to issue -general fund- prudence to keep taxes down.

Jerry Olson- Thanks to all of the community for coming out and to continue to tell us what you see and how other places work to help us.

Meeting adjourned at 8:20pm.

Mayor – Keith E. Emerson

Clerk/Treasurer – Angela A. Jacobson