

CITY OF FRAZEE

PUBLIC HEARING ON CONTINUING OPERATIONS
OF A MUNICIPAL LIQUOR STORE

REGULAR COUNCIL MEETING

MARCH 12, 2007

Public Hearing – Continuation of a Municipal Liquor Store

A public hearing on continuing the operation of a municipal liquor store was called to order at 6:30 p.m. by Mayor Ludtke. Members present included Miosek, Ouart, Trieglaff, and Dermody.

City Clerk-Administrator Kelcey Klemm provided an explanation of the statutory requirement to hold a hearing if a municipal liquor store reports a loss in two out of the previous three years. A liquor store financial statement showed a loss of \$6,133 and \$15,366 for 2004 and 2006 respectively.

Gale Kaas asked when the Event Center opened; the consensus was 2000-2001. Kaas asked the Liquor Store Committee how they intend to increase profitability; Trieglaff stated improved inventory control, more events, and better promotion could bring the facility profitable.

Dermody asked what happened in 2000 or 2001 to change the profitability so that no more fund transfers were made; there was discussion about the building of the Event Center but no conclusion was made.

Kaas questioned that even with a different manager, is there enough people willing to visit the business or has the market changed

Rod Osvold commented that the turnover in the police department has improved the city's bar business, a \$6000 loss after the inventory correction is only \$500 per month that could be recovered, and the Event Center is a community asset that provides residual benefits. Dermody stated that a \$4000 profit per month goal is not unrealistic.

Dermody asked about the number of bookings in the Event Center; Klemm provided a number of bookings for 2007.

Scott Geiselhart asked if there has been any consideration for closing the on-sale and moving the off sale to a site along Highway 10; Dermody stated that he feels that the city has not given the bar its best shot with the best management and another year is needed to see if it can be turned around. Geiselhart questioned how long do we keep trying to hire a different manager and trying the same thing. Trieglaff commented that the cost of a

new building would break the place and the liquor store should be viewed as a co-op that everyone has a stake in.

Ouart stated that the council decided once before to give it one last chance but we have never seriously discussed as a council the possibility of closing it; Ludtke added that the option has been reviewed before in committee.

Geiselhart suggested that investment is needed to upgrade and remodel the facility.

Jerry Olson suggested that more signs are needed to identify the liquor store's location.

Having no additional public comment, the public hearing was closed.

REGULAR MEETING

The regular meeting of the Frazee City Council was called to order at 7:15 p.m. by Mayor Ludtke. Council members present were Miosek, Ouart, Trieglaff, and Dermody.

Open Forum

Andy Paurus asked about installing speed limit signs around the elementary school. Dave Coufal agreed that the traffic is much too fast in that area. Lorsung replied that the Public Safety committee has discussed that issue and signage needs to be improved all around town.

Consent Agenda

MOTION by Miosek, seconded by Dermody, to approve the consent agenda items as follows:

- Approve the minutes from the February meeting.
- Approve the City bills for payment.
- Approve the Liquor Store bills for payment.

All present in favor, motion carried.

Staff Reports

Brian Bigger provided a Rescue Squad report consisting of 15 calls for 61 call hours, 174 training hours, 34 community hours, and 28 total members for the month of February.

Larry Stephenson, Public Works Superintendent, reported the number of gallons pumped and treated for the month of February; an industry average is that 80% of the water pumped makes it to the water treatment ponds and consumption, clothes drying, cooking, evaporation, and leakage account for the rest; a leak was found at Jerry Moltzans that will be fixed tomorrow; and a lot of hours for plowing have been put in the past 7 days.

Mike Lorsung, Police Chief, reported 178 calls for the month of February; a Public Safety committee meeting addressed the need for new signs, painting curbs, and restricting parking on Main Avenue; a poll of business owners will be conducted to see if there is a problem with parking complaints about snowmobiles on the sidewalks,

sledding hill, and private property have been received; and the possibility of a police auxiliary is being reviewed. Dermody stated that he supports a police auxiliary and thinks that the costs would be limited, citing the success of Perham's auxiliary.

Klemm provided a Liquor Store report including monthly financials; a schedule for manager interviews; appreciation for the additional help provided by the liquor store and city staff; and a report from Ludtke about the floors being waxed and the walls being painted in the Event Center.

Old Business

Klemm clarified that Ordinance No. 133, establishing a planning commission, includes the change discussed from last meeting to have a seven-member board. Trieglaff suggested that the appointment of the members not be until after the training is conducted. Dermody asked about the quorum provisions; the ordinance was changed to correct the error by changing it to a four-member quorum instead of five.

MOTION by Dermody, seconded by Trieglaff, to approve the second reading and adoption of Ordinance No. 133, establishing a planning commission. Ouart asked about the timing of the appointments; the issue will be addressed at the April council meeting. All present in favor, motion carried.

New Business

An application for variance from the area and setback requirement was submitted by Andy Paurus at 302 Fir Avenue. Andy Paurus stated that the variance is needed to remove a dilapidated structure and to build a new two stall garage. Trieglaff agreed that the new building would be an improvement to the neighborhood.

MOTION by Ouart, seconded by Miosek, to approve the application for a variance for Andy Paurus as requested in the application. All present in favor, motion carried.

MOTION by Trieglaff, seconded by Dermody, to approve the first reading of Ordinance No. 134, establishing parking regulations. Trieglaff stated that a poll will be conducted of the downtown businesses to see if a time limit is needed. Miosek asked about the parking close to the crosswalks; Lorusung responded that regardless of them being painted, parking should be setback from the intersection. Ouart stated concern about the truck parking prohibition on city streets; Ludtke agreed and was concerned that there will be no place for truck and trailers to park in town. Trieglaff stated that the ordinance could be amended later after input is received about truck parking. All present in favor, motion carried.

Councilmember Reports

Ludtke recommended Joe Clauson and Fred Daggett to fill the two new board positions on the EDA. Dermody stated concern about the attendance of the current members.

MOTION by Dermody, seconded by Ouart, to approve the appointment of Clauson and Daggett to the EDA Board. All present in favor, motion carried.

Trieglaff provided a report on the Joint Powers meeting about the recycling sheds and suggested visiting information about recycling on the county's website. The compost site will re-open April 1st.

Clerk-Administrator

Klemm commented that the city audit is due March 31st.

Paul Thon, Fire Chief reported 8 calls for 96 call hours, 4 training sessions for 120 training hours for the month of February; the Firemen's Dance is April 7th at the Event Center; Gerald Mitchell and Tom Watson retired; and recommended the probationary appointment of Albert Doll, Charlie Maves, and Tyler King to the department. MOTION by Miosek, seconded by Dermody to approve the three fire fighters for probationary status. All present in favor, motion carried.

Having no further business, meeting was adjourned.

ATTEST:

Kelcey Klemm, City Clerk/Treasurer/Administrator