

CITY COUNCIL PROCEEDINGS
BEMIDJI, MINNESOTA
Work Session – September 14, 2009

Pursuant to due call and notice, a work session of the City Council of the City of Bemidji, Beltrami County, Minnesota, was held on Monday, September 14, 2009, at 5:30 p.m. in the Conference Room of City Hall, Mayor Lehmann presiding.

Upon roll call, the following Councilmembers were declared present: Lehmann, Johnson, Negard, Waldhausen, Hellquist. Absent: Meuers, Downs.

Staff Present: City Manager John Chattin, City Attorney Alan Felix, Finance Director Ron Eischens, Liquor Store Manager Dan Bahr, City Clerk Kay Murphy

Others Present: Paul Kaspszak, Minnesota Municipal Beverage Association (MMBA)
Gary Buysse, Rogers Wine & Spirits Manager/MMBA Past President

Mayor Lehmann stated that the purpose of the work session was to reconsider the revised preliminary 2009 tax levy and discuss liquor store operations.

Eischens stated that due to state imposed levy limits, the Department of Revenue annually calculates the City's maximum tax levy. The calculation for 2010 unexpectedly resulted in a decrease of \$60,313 in allowable levy compared to 2009. Staff assumed the levy would remain the same based on the allowable inflationary increase and growth factors for population and households.

RESOLUTION NO. 5579: Approving a Revised Preliminary 2009 Tax Levy Collectible in 2010 and Setting the Truth in Taxation Hearing Date was offered by Councilmember Hellquist, who moved its adoption and upon due second by Councilmember Waldhausen was passed by unanimous vote.

Liquor Store Operations

Chattin stated that the City Council requested staff review of the liquor store operations on improving the profitability. Towards that end, staff contacted Gary Buysse, Rogers Wine & Spirits Manager/MMBA Past President, and Paul Kaspszak, MMBA Executive Director, who reviewed the liquor store's financial reports for the past five years (2003-2007). They noted that the liquor stores have a relatively stable sales level. They made a number of recommendations that may improve the liquor stores' profitability.

Discussion continued on the following suggestions:

- Credit card rates – Recommended the City examine the process for rates and go out for a full RFP next year. It was noted that the RFP should be restrictive to eliminate those not qualified.
- Amount of inventory – Bahr noted he is reducing the inventory. Discussion continued on trends and new products.
- Energy drinks – Recommended that the City sell energy drinks. Bahr noted that the south store currently sells some energy drinks.
- Scheduling/Personnel costs – Personnel expenses are too high and it was recommended a shift in scheduling.

Consensus of the City Council was that staff continue to implement the recommendations provided by the Minnesota Municipal Beverage Association.

Closed Meeting

Motion by Negard, seconded by Johnson, to close the meeting in accordance with Minnesota Statute Section 13D.05, Subd. 3 for the purpose of reviewing confidential or non-public appraisal data relating to the acquisition of real property, as well as to develop or consider offers or counter-offers for the purpose of said property. Motion carried unanimously. Meeting closed at 6:00 p.m.

Staff Present: City Manager John Chattin, City Attorney Alan Felix, Finance Director Ron Eischens, Liquor Store Manager Dan Bahr, City Clerk Kay Murphy

Others Present: Gary Buysse and Paul Kaspszak

Motion by Hellquist, second by Johnson, to reopen the meeting. Motion carried unanimously. Meeting reopened at 6:32 p.m.

ADJOURN

There being no further business, motion by Hellquist, seconded by Johnson, to adjourn the meeting. Motion carried. Meeting adjourned at 6:35 p.m.

Respectfully submitted,


Kay M. Murphy
City Clerk