

**MINUTES
CITY OF LONSDALE
SPECIAL CITY COUNCIL MEETING
SEPTEMBER 22, 2008**

1. CALL TO ORDER

Mayor Rud called a special meeting of the Lonsdale City Council to order at 6:30 p.m. in the Council Chambers at 415 Central St. W.

2. PLEDGE OF ALLEGIANCE

Everyone stood and recited the pledge of allegiance.

3. ROLL CALL

Present: Duban, Kodada, Rud, Smith and Furrer

Absent: None

Staff Present: City Administrator Joel Erickson, City Treasurer Joyce Skluzacek, Liquor Store Manager Lynette Moe and Assistant Liquor Store Manager Carolyn Korba

4. AGENDA

Mayor Rud asked if anyone had any additions or deletions to the agenda. A motion was made by Kodada and seconded by Duban to approve the agenda. Vote for: Duban, Kodada, Rud, Smith and Furrer. Against: None Vote 5-0. Motion carried.

5. APPROVAL OF MINUTES

None

6. PUBLIC HEARINGS

None

7. PRESENTATION OF CITIZEN PETITIONS AND COMMENTS

None

8. APPROVAL OF THE CONSENT AGENDA

None

9. OLD BUSINESS

a. Interview Applicants for City Council Vacancy

Duban said he was requesting to excuse himself because he did not want to have a bearing on the outcome of which applicant was selected. A motion was made by Kodada and seconded by Smith to excuse Duban from the interview portion of the meeting. Erickson stated that four applicants were interviewed on September 15th and the remaining three applicants will be interviewed tonight. Mayor Rud welcomed Evelyn Duban and the interview began at 6:31 pm and ended at 6:43 pm. The City Council then interviewed Joe Daleiden. The interview began at 6:43 pm and ended at 7:00 pm. The City Council interviewed R.J. Sticha at 7:01 pm and the interview ended at 7:18 pm. All applicants interviewed were asked the same eleven questions. Councilmember Duban returned to the meeting at 7:20 pm.

10. NEW BUSINESS

a. Review/Discuss 2009 Budget

There was general discussion on health insurance rates and the timing of the new policy. A motion was made by Kodada and seconded by Duban to schedule a Health Insurance Task Force Meeting for September 23, 2008 at 3:00 pm. Vote for: Duban, Kodada, Rud, Smith and Furrer. Against: None Vote 5-0. Motion carried.

Liquor Store

Mayor Rud said in 2007, the Liquor Store's assets increased but operating revenue was not sufficient to make a profit. He asked if a part time employee was

going to replace Luke Rezac? Moe said not at this time but Rezac will work during the busy times of the year and someone might be needed several Saturdays a month if business picks up. Mayor Rud asked if revenues were on track to hit \$1.2 million. Erickson replied yes. Moe said due to product cost increases, she has been trying to make smart large buys to carry her through the end of the year. She said the new store is a learning process and sees no problem with getting inventory down to \$300,000 by the end of the year. Rud asked if store hours have been looked at? Moe said she has and it is slow in the morning and busy between 9:00 pm and 10:00 pm. Furrer asked if Moe knew the store hours of the competition? Moe said yes, typically 9:00 am to 9:00 pm Monday through Thursday and 9:00 am to 10:00 pm Friday and Saturday. Duban asked if opening later in the morning would affect beer deliveries? Moe said College City does deliver at 8:00 am, simply because the store is open but the deliveries could be rescheduled. Duban said the new store is a learning experience and the vendors filled the shelves with product that has not sold. Mayor Rud asked the Councilmembers thoughts on the current mark up. Kodada said with beer being the biggest seller, we should start there. Duban said he would be cautious of increasing the price of beer due to the possibility of losing some customers. Moe said the summer months are not good for wine sales, which typically pick up in the fall. Furrer asked when does the store look at cutting wines since Lonsdale is a beer town? Moe said she looks at the sales analysis report to see what is selling and what is not and only orders what is selling. Mayor Rud asked the current value of inventory. Erickson replied \$450,000. Mayor Rud asked if it would be down by the end of the year. Moe said she only needs to order beer through the end of the year. Rud said inventory needs to be monitored very closely and hold the line. Korba asked how the Councilmembers would like to see the inventory sold, at cost or slightly above cost? Rud said there needs to be a profit. Moe said the store was built for the future and there are and will be bumps in road along the way that will have to be worked out. Furrer asked when beer was ordered? Moe said once a week and she orders three pallets when she can to get the best price break.

11. OTHER BUSINESS

None

12. ADJOURNMENT

A motion was made by Smith and seconded by Kodada to adjourn the meeting.

Vote for: Duban, Kodada, Rud, Smith and Furrer. Against: None Vote 5-0.

Motion carried. The meeting ended at 8:04 pm.

Respectfully Submitted:

Joel A. Erickson, City Administrator