MINUTES
SPECIAL JOINT CITY COUNCIL WITH BUDGET & FINANCE AND LIQUOR BOARDS

NOVEMBER 8, 2024

The meeting was called to order by Mayor Shawn Reinke at 9:00 a.m. Members present were Neil Herzberg, Megan Brick, Jean Soine, Paul Thielen, Steve Vaske, Reed Ringstad, Jennifer Welling, City Clerk; Bill Ludwig, Liquor Store Manager; Tariq Al-Rifai, City Administrator; and Belinda Ludwig, City Treasurer. Dawn Knoll participated via Zoom.

FUTURE LIQUOR STORE

Bill Ludwig presented the building plans he and Ringstad put together. A budget was also developed and presented showing what the expected sales increase would be with a new liquor store. Members' main concern was to see if the cost of building a new liquor store and the increase in sales would be enough to cover the bond/loan payment.

The estimated building cost would be about $1.9 million. Al-Rifai asked if this number included the cooler and other equipment. Bill said yes, it includes everything. Belinda Ludwig went over the budget numbers showing projected revenues and expenses. Herzberg asked when the current lease is up and if moving costs are included in the numbers presented. Bill said the lease ends in December 2025, which if we approve the new building, it could be completed before then. As for the moving costs, Bill said he expects the distributors to help move their products similar to the last move.

Bill Ludwig, Belinda Ludwig and Al-Rifai went over financing options noting that bank financing is possible, but need to check with the City Attorney first to see if we can do it. Al-Rifai reached out to the City's Financial Advisor who gave preliminary figures on what a bond payment would be. Based on this, Bill Ludwig believes the projected increase in revenues would be enough to make the bond payments and potentially go back to paying the City its annual payment in 3-5 years' time. The projected revenue increase is based off similar new municipal liquor stores' revenue growth and taking a more conservative figure.

Motion was made by Soine to build a new liquor store contingent on seeing the financing package and final plans. Seconded by Herzberg and motion passed.

Motion was made by Herzberg to authorize the City Administrator to spend up to $25,000 to finalize the plans and prepare for bids on the new store with funds to come from the Liquor Store CIP. Seconded by Thielen.

Council asked that this be ready by the first Council meeting in December 2024.

Motion unanimously carried.

There being no further business, the meeting was adjourned at 10:22 a.m.