

**CITY OF PARK RAPIDS
CITY COUNCIL SPECIAL MEETING
JUNE 3, 2020, 6:00 PM
Via Telephone
Park Rapids City Hall Council Chambers
Park Rapids, Minnesota**

Pursuant to Minnesota Statutes 13D.021, Subdivision 1(1), the City of Park Rapids has determined that in-person meetings of the Council are not prudent during the COVID-19 health pandemic/peacetime emergency declared by the Governor's Executive Order No. 20-01 under Minnesota Statutes Chapter 12. As such the following City Council meeting during such state of emergency was held by telephone, and the presence of the Councilmembers and the public at the meeting was not feasible.

1. CALL TO ORDER: The June 3rd, 2020, Special Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Ryan Leckner.

2. ROLL CALL: Present: Mayor Ryan Leckner (in person), Councilmembers Tom Conway, Erika Randall, Liz Stone, and Robert Wills (by phone). Absent: None. Staff Present: Administrator Ryan Mathisrud (in person), Planner Andrew Mack and Clerk Margie Vik (by phone). Others Present: Robin Fish from the Park Rapids Enterprise (in person), Butch DeLaHunt, Sue Tomte, Gary Girtz, and Thom Peterson (by phone).

3. GENERAL BUSINESS:

A. Alfresco Dining Plan/Updated Resolution: Mathisrud stated staff has been working on an updated alfresco dining plan. We put together a resolution on this a number of weeks ago in anticipation of the reopening of downtown restaurants. When we put that together we had anticipated that the governor would allow some type of seating indoors and outdoors. He has limited it to only outdoor seating. In order to accommodate that type of use we needed to do some research. Mack has been working on that this past week.

Mathisrud stated this proposed resolution allows local restaurants to be able to license a portion of the right of way for outdoor restaurant use. It also allows liquor service within the right of way. The governor's order did have some ambiguity in it and directed cities to work with restaurants to basically allow this type of use. It will be somewhat different than our original resolution, which prohibited alcohol service. They have allowed more flexibility.

Mack stated I've been spending time working with individual businesses that are primarily in the downtown area. This certainly applies citywide, but in terms of where we're having the most challenge starting this out is in the downtown itself. I have in hand three applications, two that can serve alcohol under this updated resolution. I have included in

the packet some diagrams that have been prepared and are awaiting approval so we can move forward. We are receiving the insurance documents, which name the city as additional insured for both general and liquor liability that, under the governor's new order, allows this in the public rights of way in close proximity to their business.

Mack stated I'm working with a local rental company in our area. He has communicated that for a number of our downtown businesses he has made a custom order for tent canopies that would be placed out into the parking areas in front of these businesses occupying the least amount of downtown parking spaces as possible, so that we're able to work with the downtown restaurants and bars, get them out and reopened to get things going in our downtown. We must also be respectful to the extent of humanly possible with the other downtown retailers that don't have an outdoor dining requirement by the state, but they are allowed to open with reduced occupancy levels inside of their shops according to the governor's order for reopening of small retail businesses.

Mack stated I worked with the Chamber on this to put out standards in terms of what those occupancies are, for those retail businesses, that are allowed to have the public indoors. They have posted those standards on their website based on maximum building occupancy. The tents are a custom order that will fit nicely in the angled parking spaces. We won't have to take up parallel parking spaces in the center. We'll keep the street open. The tents will be allowed to stay out for the rest of this summer season, until October 31st. Every other business that is a restaurant or bar is in the process of working with the rental company for the placement of these tents. Things are coming together nicely. I've heard that the county and the City of Nevis have approved a similar action. Individual businesses have been working with me directly to try to sort this out and come up with individual plans that work best for each of them

Wills questioned is the handicapped parking going to be impacted? Mack stated my plan is to not permit any obstructions in handicap parking spaces. Those will all need to be kept open. Wills questioned with the securing of these awnings, I got the impression that posts were going to be put out and somehow, they are going to be put in place. Is that a permanent thing? Are they going to dig up asphalt? How is that going to work? Mack stated in working with the rental company and with prior approval of the public works department they will be able to anchor into the street. It's an anchor lag screw, similar to what we've done for the sculptures on Main, so they'll be permanently installed. They can still be removed by unscrewing them to remove the tents, but they will be able to withstand rains and winds based upon my discussions with the rental business owner. Wills questioned if we go back to the way things were before and these lag bolts were taken out who is going to pay for repairing the street? Mack stated the rental company is going to take care of that. They use epoxy plug filler. It will restore the street back to nearly its original condition, whether it's in the asphalt or concrete.

Wills stated the resolution mentions just Main Avenue. I think that needs to be changed. We have Bella Caffe, which is not on Main Avenue. Mack stated I have worked with Bella Caffe. They will be submitting an application. This would apply to every business in the city limits whether they are on Main or a side street. They are still eligible and able to do that. Bella Caffe has experimented with this today and they took up three parking spaces. We just need to formalize this and get their license agreements in place. I know that the businesses are all working toward that direction right now.

Conway questioned can we fix the wording on number three because it says Main Avenue. Randall stated it needs to be changed because it talks about the parking spaces on Main Avenue, and I understand it applies citywide, but the diagonal parking is in the downtown area as a whole. Mack stated that is a good point. We certainly should make that amendment to include the side streets as well.

Conway questioned in number three what does the phrase “make a reasonable accommodation with the adjoining business owner” mean? What are we envisioning that to be? Mack stated I’m envisioning that to be, for example, the Royal Bar, in their plan they would take up a space that would be right in front of the business to the north of them. Reasonable accommodation means that the owner was going to reach out and talk to them to make sure they were okay with that and do it in a friendly, businesslike manner. Conway questioned if they disagree how do we decide what to do then? Mack stated this indicates that the final decision would be made by the city, because they are the city’s parking spaces and not the business owners.

Randall questioned is there a time on here, like they can do this until 10:00 p.m.? Mack stated I would presume it would run with the normal business hours that the business is open for service. Randall stated I would object to that. I don’t think it’s going to be appropriate to have people drinking in the streets until 1:00 a.m. It seems like it should have a limit on being done by 10:00 p.m. The Royal Bar is open until 1:00 a.m. Mack stated we did not include that in here. It would need to be added.

Mathisrud stated if that is a concern to the Council, we could consider establishing a time limit on hours of operation for liquor service to be added to the license agreement. Randall stated it’s not just liquor stores. If we are going to have people out on the streets my recommendation is that the business close by 10:00 p.m. Otherwise lighting is going to be an issue, the whole works.

Conway stated once the 10:00 p.m. timeframe passes, what’s to stop someone from sitting down and relaxing there on the street. I assume that our police department will have to regulate it. Randall stated the police would be charged with enforcing a city resolution. I don’t anticipate there are going to be problems with this, I think that all of our businesses will happily follow anything that we put out there. Maybe it’s foolish to think there’s not going to be any problems, but yes it would be the police.

Stone questioned are they placing limits on hours of operation in other cities? Randall stated Bemidji just passed this and they did 10:00 p.m. Stone stated I was going to propose 10:00 p.m. Sunday through Thursday, and 11:00 p.m. on Friday and Saturday nights. Leckner stated that’s a good thought. I was just wondering what the businesses normal hours of operations are. Randall stated I’m concerned about the lighting. In the summertime you can get some light at 10:00 p.m., but by 11:00 p.m. it’s pitch black and awfully dark. I think we’re creating a hazard for folks that are going up over curbs into their establishments to get drinks and food.

Randall questioned was there any discussion as to whether music was going to be allowed in the outdoor seating? Other cities have addressed the music issue that no music is allowed unless approved by the city administrator. Stone stated I can see your concern regarding the lighting. I’m assuming that with alfresco dining they would have lighting. Randall stated with a time limit it’s easier for law enforcement to know when to monitor it, if they need to. I think our businesses in the downtown are established enough and that they will keep the city’s best interests in mind. I do think it’s important to have a time limit

established. Stone stated I agree. Wills stated I think it should be 10:00 p.m. every night instead of having some days different. Randall stated I would prefer 10:00 p.m. only because of the lighting issue and I would hope that the individual businesses would accommodate the lighting, but if they didn't we don't want to go down that rabbit hole, because now we'd be requiring them to have appropriate lighting and all of that. My suggestion is 10:00 p.m. If this goes on a lot longer and they have businesses asking to be open later than that we could address it at a later time. And I suggest they have to get written approval for music. I don't want to have a battle of the bands going on in the street.

Mack stated it would be helpful to know if the county placed hours of limitation on the outdoor dining and the bar scene. Randall stated it's nice to know what the county does, but none of the county businesses are going to be going into a public right of way into a street. There's a key difference there. Mack stated there may be some that may have to do that.

Butch DeLaHunt stated I did attend the county board meeting yesterday. These subjects did come up, the hours of operations and the noise of potentially having outdoor music. The county yielded to allow them to do exactly what their liquor license in the establishment allows for. If there are issues they would address them at a later date. With that in mind they were considering when making that decision that some of these facilities would have to put tenting up in green space areas that would be close to private residences. Therefore, they were concerned about the hours of operations, and secondly they were concerned about the music. They did put requirements that they monitor the music, and if there would be a compliant, they would address it. But they did not put any restrictions on the hours of operation based on it was just an extension of their liquor license into outdoor space.

Randall questioned are there any businesses in the county that you are aware of that are on the street? Here we have The Good Life and Royal Bar, but there's nothing that close in proximity in the county. DeLaHunt stated Dorset, the City of Nevis, those would be. Randall stated the City of Nevis is separate and would address it in their own resolution. DeLaHunt stated I understand that but those are examples of where there would be concentrations of multiple businesses in close proximity to each other. Dorset is another prime example. It's going to come down to an economic sense. They are only allowed to serve fifty people. If it goes into late hours of the evening and there are only ten people there, it isn't going to make economic sense to maintain two personnel in order to accommodate those ten people. I think it's naturally going to find a balance as to when it's time to call it an evening. It's just how the county handled it. I understand your concern.

Leckner stated I see the concern about the hours of operation. We should be careful with what we set. These businesses have already been regulated by the government that they can't even have people inside and regulated as to what they can do. We're trying to lower the regulations so that they can survive economically.

Randall stated my concern is not about the regulations. It's about safety. I don't want to enforce anymore regulations. It's about the safety of people drinking alcohol in a public street. Conway stated I have a tendency to agree with Randall. I'm curious to know if we have any of those businesses on the line, and if they would see a limitation like that as a restriction. It maybe that we are discussing this and the businesses don't see it as an issue.

Thom Peterson, from Bella Caffè and Third Street Market, stated in line with the comment of businesses desperately trying to survive this, as we are approaching our peak season, and we need to do the best we can during this peak season, if we don't there will be businesses that won't survive. I think there needs to be a little credit to the businesses. We have built up our businesses and we're concerned about preserving our businesses. It's not likely any of the downtown businesses are going to adopt practices that jeopardize the safety of their clients, guests, their business, or their community. I have a feeling like we are all in this together, trying to survive this as a unit.

Leckner stated that is a good point. The businesses will be responsible. The restaurants that we have, have all been in businesses for a while. DeLaHunt stated most people would be expecting that the logical extension of what is allowed for them is under their current liquor license in their establishment. If there is a problem, it gets addressed at that point. They are allowed, if you make that extension into the right of way, they are allowed to a certain period of time.

Leckner questioned we talk about allowing them to drink on the streets. The area that they would be licensing would be tented and fenced in, wouldn't it? They wouldn't be able to wander out from the establishment, would they? Randall stated it would just be a tent. They wouldn't have to go around anything unless they chose to put up a temporary fence. Wills stated I thought there would be a barrier. Leckner stated it would be like a beer garden where you have some sort of a boundary around it.

Mathisrud stated how the license agreement would be put together is they would complete an exhibit showing the area of right of way that they would license for their purposes. That would include the sidewalk to be contiguous to their property. We can't block the sidewalk in terms of fencing or barriers. It would make some sense to have a barrier within the area of the tent to keep it contiguous to the building with respect to the license agreement and the area they are agreeing to maintain insurance on so that area will be depicted on the license agreement. As we understood in our conversation with Dick Bradow, he would be able to extend coverage to that area through the carriers that he works with. Some of the drawings show a physical barrier adjacent to the tents to keep cars from them and would extend to the liquor piece to keep that segregated. Our intent was to have that physical segregation. Mack stated that is correct. I'd add there is a fairly good amount of lighting in our downtown area. Lighting was expressed as a concern. If it's insufficient perhaps the businesses could add lighting into the front of their building in a safe manner.

Mack stated I reached out to the owner of the Royal Bar, Dave Stevens. He did express strong objection to an earlier closing time than what is licensed by the state, which would be 1:00 a.m. Some of what was expressed by Peterson also had to do with all of the restrictions placed on businesses now. Those were also Steven's concerns.

Randall stated the resolution does not include a requirement of any barriers. I appreciate its coming up now but it's not in the resolution. Mathisrud stated that is something that we'd have to add to the license agreement itself, or we could clarify it and add it to the resolution. Randall stated it's in the request for Council action, but not in the resolution. Mack stated that was something that the rental company put forth in terms of working with the businesses for placing tents and canopies. We didn't want to impose that as a one size fits all. We want to be able to work with each individual business. On the side streets there is a lot more room and not necessarily such close travel lanes. If that's the

thing that would make sense and they want to do it, then we'd certainly want to encourage them to do it. I saw the example of what Bemidji did and they put some of their street barricades out. We don't have anything like that. I like the fact that the rental company came up with the idea of the barricades. It would add increased safety to areas where we have tight parking up against the travel lanes, particularly on Main Avenue.

Wills questioned who is going to be responsible for those tents and barriers if they are put up? Who bears the cost on that? Mack stated the private business that's under the license agreement. In the case of the Minnesota Fountain and Beyond Juice they would share the expense. The Good Life and Royal Bar will be putting their own tents up. Our patrons in downtown are going to want to get out of the direct sunlight. A barrier would add an additional level of safety for the guest.

Conway questioned does our Chief of Police have any concerns about public safety and the way we are doing this? Mack stated I haven't visited with him about this. I'm certain he would be supportive of any safety measures we can employ.

Conway stated it was mentioned that people could just wander away. That did raise a concern for me. We do want some kind of order. Leckner stated that's why I think we should add the barrier to lay out the area that the people are in while they are at the tables. Conway stated I'm an advocate of doing this but I don't want to do it halfway and end up causing a larger problem than we started with.

DeLaHunt stated under the Minnesota Department of Economic Development it says if restaurants combine seating and close down a seat to make a communal dining area the spaces have to be clearly marked and defined for each restaurant and contiguous to the establishment. At some point they should be clearly designated to show that is the space. That is the guidance that MN DEED has put forth.

Leckner stated we have a \$100.00 application fee. Due to the circumstances of what's causing the businesses to do this I think we should lower it. There has to be some sort of a fee whether it's \$1.00 or \$5.00., or possibly waiving that fee. This isn't something that they want to do, it's something that they have to do. Conway questioned is the \$100.00 an arbitrary number? Mathisrud stated our normal standard fee for miscellaneous license agreements is \$175.00. License agreement fees are generally based on the market value of the area you are licensing. We thought \$100.00 is a nominal fee for this. It is arbitrary, so we have wiggle room. We generally try to recoup the costs of the labor that you put into an agreement. That was loosely how that was thrown out. For the five or six agreements that we are going to be putting together, and the amount of time that we have already spent on it, it's not a huge issue. You can certainly change the fee.

Randall stated I would be in favor of waiving the fees. Stone stated so would I. Leckner questioned is that something that we can't waive? Randall stated change it to a \$5.00 fee.

Mathisrud stated the changes so far are we are changing the fee to \$5.00, we are going to include a barrier and specific markings to delineate the location, and there's a question mark on hours and whether or not we're going to change them. Randall stated or if we want to restrict music. It's not that I want to restrict music, they could just simply get permission from city hall. I think it would be a simple process. I wanted us to talk about the things that other cities are addressing for their downtown areas.

Leckner stated I think the music part would be a good thing, just so it doesn't get out of hand, that they have to be approved by city hall if they're not having a band or

something like that. Randall stated we definitely want to limit hours on a band. If they can serve until 1:00 a.m. are we going to let them have a band until 1:00 a.m.? Mathisrud stated we can regulate the music where it makes sense. Downtown is a residential neighborhood too. There are people living upstairs. Randall stated I want it to be an easy process for permission to be granted liberally, but I do think we need to have some awareness of it and what's going on and how much noise there is going to be on certain nights, if any. Maybe no one will take advantage of it. We'll see. Leckner stated we can go with checking with the administrator for music.

Leckner questioned what does the Council think of the establishment's liquor license to follow the hours, or do we want to try to set times, or do we hope that they are going to be responsible and have lighting if they are open later for food and beverages? Conway stated we don't have a consensus on that. Stone questioned for establishments that chose to have alfresco service are they required to have seating, like tables and chairs? They're not going to be just standing around are they? Is it required they have tables and chair in a formal seating arrangement? Conway stated I thought it was mentioned in here. Mack stated it's item #2 in the resolution. They have to have furniture and fixtures for alfresco dining.

Randall questioned if there is a liquor establishment that doesn't serve food, are they able to do this? Mathisrud stated this probably applies broadly. A Better Place has an outdoor area within their business location. They should be able to accommodate this and have outdoor seating within their fenced in area adjacent to the building. However, we still would have to have a license agreement if they wanted to be in their parking area. We could potentially not issue a license for that business. The city still has to agree. Leckner stated we could say they're not serving food. Conway stated if we say we're not issuing license agreements because they have no food then we should put that in the resolution, otherwise it looks like an arbitrary decision. Mathisrud stated then you should define what food looks like because they serve frozen pizzas. Vik stated I believe the governor's order to allow outside service was for restaurants and bars. Randall stated thank you that was my question. DeLaHunt stated it's in his executive order, restaurants, food courts, taverns, tap rooms.

Gary Girtz, from Stacked High Deli, stated I have a big concern about smoking outside. Is smoking allowed under these tents or not? We have a family orientated restaurant and we don't want smoking under the tents. Leckner stated I don't know if it would be the same rules as the restaurant or not. Mathisrud stated when the business itself obtains the license agreement, they are responsible for managing, insuring, and taking care of that area that they have licensed. You should be able to control whether or not people smoke in your tent or not. I would also suggest adding something to the resolution that addresses this.

Conway questioned will the Stacked High Deli and Royal Bar be close enough to each other to where it's going to be a problem? Mack stated I brought up this question to the owner of the Royal Bar. The Clean Air Act applies to indoor spaces or within ten feet of the doorway. If this is outside, unless it's an additional part of the governor's order it would not be restricted, unless the business so chooses. In this case he indicated he was going to encourage the smokers to use the rear of the building and not out front in the tent space. Randall stated that's one thing to encourage it, but when the owner is not there, I don't see it happening. There is still going to be smoking out there.

Thom Peterson stated with respect to our application, thank you for going down on the fee. That is a good gesture to show that everyone is working together to survive this thing. On the plan that we submit I hope that the city understands that none of us have ever done this before. I hope there will be some flexibility. We may design a plan and after two or three days of using it we may find that it's not workable and if it's tweaked a little bit it would be a lot better. I hope we have the liberty to do that.

Mathisrud questioned did we address the issue of smoking on this resolution? Leckner questioned can we make no smoking in the tents part of the agreement? Mathisrud stated I believe I can make that part of the license agreement. Conway questioned how are we going to enforce it? Randall stated the employees are going to have to politely say smoking is not allowed out here, you'll have to walk away from the business. Mathisrud stated it would have to be up to the licensee to enforce that provision. The city can enforce the license by terminating it with a two week notice should there be violations. Randall stated I want to clarify there is a way to shut down a business immediately if they violate the license. Not all of this needs a two week notice. If they are blatantly disregarding their license they should be shut down immediately.

DeLaHunt stated when the county considered the type of things that are occurring outdoors, for example, if there is no smoking indoors, by moving your indoor service to outdoor you're not allowed to invoke a new privilege in doing so. If you're not allowed to smoke indoors, the logic is in that defined outdoor restaurant or bar space you're also not allowed to smoke. They can step outside of the perimeter to have a smoke if they want to. It's no different than what we do at Second Street Stage. Conway stated they need some type of signage so people know that. The patrons need to know it. Mathisrud stated we can add a no smoking provision to the license so that the business owner posts the appropriate signage. Randall stated it's important to word it such that because this is an extension of their indoor business, no smoking will be allowed. That makes the most sense.

Mathisrud stated we're changing the fee to \$5.00, insure that each licensed area has a barrier and clearly defined markers for the licensed area, we have the ability to terminate the license agreement for violations, no smoking signage outside and that it be appropriately placed because it's an extension of the business. We will address music and the appropriate hours. My way of thinking music would be limited to 10:00 p.m. and the volume of the music would need to be controlled. The last thing is whether or not we are limiting hours of operation.

Randall stated it makes sense to limit music until 10:00 p.m. In regarding the hours of operation, I would say they need to be done by 10:00 p.m. but I'm fine leaving it for them to operate under their current license. If it becomes a problem we're going to be back here at an emergency meeting to enforce hours on it. We can leave it for everyone to use their best judgement and see how it goes. Conway questioned do we need to put something in this resolution to give us the ability to revisit that? It's almost like they have a contract with us to do what was in place at that time. If we're going to say we want to revisit these hours do we need something in this resolution giving us the ability to do that? Randall stated no. It would have to come before the board and be considered as an amended resolution, as we are amending a resolution today. Conway stated I think it's reasonable to try it. If we find out that we're having a safety issue for whatever reason like because we have people wandering the streets at 1:00 a.m.

Mathisrud stated we can reference this resolution/license agreement and that the person shall fulfill the terms of the license agreement according to the terms of the resolution and that we have the ability to update the resolution if needed to establish hours. Conway questioned we don't need a special section that says the city retains the right to change this resolution upon need? Mathisrud stated I don't think we need to do that in the resolution today, so long as the license agreement references the resolution and that they have to comply with the terms of the resolution. Randall stated it would be similar to our ATV resolution. If we were having problems with our ATVs we could bring it back to the Council and modify it. Mack stated the language in the license agreement could reference the resolution or as may be amended.

A motion was made by Stone, seconded by Randall, and unanimously carried to approve Resolution #2020-98 Authorizing the City Administrator to Execute License Agreements to Use Public Right-of-Ways for Temporary Alfresco Dining and Alcohol Service for Licensed Businesses Outdoor Seating Areas on Sidewalks and Parking Spaces to Rebound from COVID-19 Virus Pandemic Adjacent to Business Building Locations by and between the City of Park Rapids and Individual Businesses in Park Rapids, Hubbard County, Minnesota, as amended by Council.

B. Proposed Liquor Store COVID-19 Differential: Mathisrud stated Scott Olson and I have been in communications over the past couple of months. There have been a couple of challenges that have come up. During COVID-19, we are having a hard time finding workers to fill his part time positions. Other retail establishments in the community are paying about \$2.00 more per hour for starting wages during this time. There are a number of factors that go into that. Some workers are unemployed and incentivized to stay home, some are choosing not to work to avoid exposure. There is a shortage of labor within the local market. We post an ad in the paper with \$11.86 starting wage right next to all of the other retail businesses that are starting at \$13.00 to \$14.00 an hour wages. Our highest paid liquor store employees, the manager and the lead clerk are backfilling for those part time workers and are now working quite a bit of overtime. That's not sustainable for those workers. Everybody is getting tired. Because all of the bars and restaurants are shut down their revenue is up significantly. They are selling a lot more product with fewer employees.

Mathisrud stated we are proposing to look at doing a temporary increase in starting wages by adding a \$2.00 an hour incentive for the period of June 1st through December 31st this year. With the increased revenue we don't anticipate a change to our forecast for profitability for the liquor store by incorporating that change. We anticipate we will see our numbers up even with that differential. We are recommending that we do a \$2.00 differential for the remainder of the year and take a look to see how the market changes at that time and how things are looking. We are also recommending at this time that we post all of our part time positions as open until filled at the liquor store so that we can fill those quicker than our normal process would allow us to do.

Conway questioned if \$2.00 separates you from your competitors and you raise it \$2.00 and you're matching them dollar for dollar, are you actually going to get your positions filled that way, or are you just going to increase the wages and still be shorthanded on personnel? Mathisrud stated it's our hope that by being competitive that we will get additional applications for the positions we have open. We know we need to get

more competitive with the wages in order to get more applications right now. When we've posted the position for two weeks we get one to two applications. It's our hope that bringing those starting wages up to be more competitive, we would be able to get more applications and fill positions quicker. Conway questioned is that going to be enough? Mathisrud stated I don't know, but it's potentially something that we have to go beyond so we are much more competitive. We need to fill those positions, that's the bottom line. I'm willing to entertain other ideas.

Conway stated I'm fine with giving them \$2.00. My concern is you're going to raise the wages and you're not going to increase the number of employees. You're just going to raise the wages for the employees that are there. You are going to cost yourself more money without getting the gain of filling the positions. Mathisrud stated there's room to go more if you wanted to be one of the higher paid retail businesses. That's something that we can look at going to potentially \$3.00 and hopefully get us more in line with Walmart and other retail wages. It appears that some of our neighbors are looking at \$13.50 to \$14.50 in some cases for these retail positions. Some businesses are doing summer differentials right now. I don't know what the best route is here. It may make sense to go an additional \$1.00 an hour to beat out some of those other competitors. Conway stated my thought is if you're filling the overtime with higher waged employees you're using it on them, and it's costing you more than if we raise the lower wages a little bit more. I don't have the numbers sitting in front of me.

Mathisrud stated we did some financial analysis on this. We found that our projected increase in profits for this quarter would be roughly \$35,000.00 for the year. By doing the \$2.00 that would increase our costs about \$17,000.00 a year. That included reducing the overtime that we are currently paying. We're not going to be able to eliminate all of the overtime because our liquor store managers do get called in occasionally on Saturdays for emergency type stuff, but it would significantly reduce the numbers of hours that they are working. We do have some room to go and still meet our profitability projections for the remainder of the year. The goal is to give relief for the people that are working a lot of overtime.

Stone stated I think we need to raise it by \$3.00. We need to be in the same playing field as Walmart. Randall stated you said bringing it up \$2.00 is equal to Walmart? Mathisrud stated they are doing a summer deferential right now. We're in our busy season too. Their normal wage would be \$13.00, which is what they are offering right now, for cashiers and the retail associate positions, with a \$2.00 summer differential. They are at \$15.00. With a \$3.00 increase that \$14.86 would be on par with the Walmart summer wage. \$3.00 would take us a lot closer, but this would go through to December 31st. Their differential would expire. Randall stated I think the \$13.00 at Walmart included the summer differential. If we're comparing ourselves to other people I want to make sure we're comparing apples to apples here. Leckner stated going to the \$2.00, before we did that we couldn't even compete with the gas stations or grocery stores. Even if we can complete with some of those, rather than Walmart, we're still going to get more applications. I push for us to be competitive. When we do the differential, \$2.00 or \$3.00 that is across the board for everybody that works there because you don't want to hire somebody that will be making more than the ones that are there now.

Conway questioned the \$17,000.00 you quoted is that across the board? Mathisrud stated yes, that's for all of the employees from the bottom to the top. Randall stated the

projections they are using are from the first three months of COVID. I'm hesitant to keep using that projection going into September, October, November, and December. I'm not saying I'm opposed to \$3.00. I'm not optimistic about the budget and that we are still going to have a profit at the end of this if we go \$3.00. I want to make sure we are comparing the right thing. Leckner stated as a Finance Committee we were looking at \$2.00, and tried to justify it at that. We don't have the information in front of us to do the \$3.00. We could do the \$2.00 for now, get some more information on it, and do the \$3.00 later if we need to go up. Conway stated my concern with the \$2.00 is we'll increase the wages of everybody you have currently working, and it won't be competitive enough to get any applicants. You'll have the same problem, but have more expenses. I'm just not convinced this will work. Randall stated I understand that concern. We also have another issue at the liquor store that hopefully will be resolved that is contributing to our personnel storage. We have a lot going on here.

Stone questioned could we look for seasonal employees, which would end October 1st, and increase that wage by \$3.00 for the season, for everyone? Conway stated one thing you have to understand is the incentives for unemployment are going to go off in mid-July. That will have an effect on our labor market. Stone stated I don't think we can wait until July. Conway stated I'm not saying that. If we make an increase from now until December, and it frees up in July, I'm willing to go in, I'm just saying how well did we think through the \$3.00. Mathisrud stated that's my understanding as well. The CARES Act expires in July. Presumably more people are going to be looking for work.

A motion was made by Conway, seconded by Wills, and unanimously carried to raise the liquor store wages by \$2.00 per hour temporarily, across the board, to expire on December 31st, 2020.

C. City COVID-19 Reopen Plan: Mathisrud stated this is a general operations plan for the city during COVID-19. It relates to the operation of the city and what measures the city will take to manage COVID-19, to allow for opening up in the future. We don't know how long this pandemic is going to last, and what measures the federal government is going to take moving forward. Within this document we want to make sure everybody knows we are committed as an organization to protect employees and public health to the greatest extent possible. There are some safety measures in here. Everything is written generally because everything needs to be taken as a case by case basis as to which direction we head on certain paths to manage our response to COVID-19.

Mathisrud stated in terms of safety measures our organization will look at bringing back employees in phases rather than all at once. Provide appropriate PPE, including masks and hand sanitizer for optional use. We will clean and disinfect our facilities, insure appropriate distancing, operations as to CCE guidance, and create more detailed plans for each department and how they handle their own response to COVID-19. I'm also working to train our employees and encourage flexibility and feedback as we make changes as we approach our recovery. I expect all employees to be washing their hands, monitoring their health, and communicating with their department heads as to what they need in order to meet their individual or organizational needs. Our department heads are implementing their COVID response for their own departments. They have adapted to the challenges associated with this. We're eager to get things open as soon as possible as well.

Mathisrud stated I've broken down our recovery in three phases. We have received input from our department heads on what this looks like. These phases are intended to be flexible within them so that certain measures may be implemented in some phases and some may not. For the most part, each phase is independent but remains flexible. We are currently operating in phase one. We locked down city buildings. Meetings are done remotely. We've taken the time to make safety improvements in the buildings as much as we can, and made changes in our work schedules with remote work. We've looked at different technology. We directed our finance department to start looking at our budget and how this is going to effect it long term.

Mathisrud stated in phase two we are starting to relax to some degree our response to COVID-19 by allowing more employees to return to work based on our need. We've implemented health and safety measures. We're encouraging employees to work from home whenever possible, and to the greatest extent possible we are minimizing interactions between the staff and the public and making sure those physical barriers are installed. During phase two we are going to continue to insure that the public meetings are done remotely whenever possible. However, we are looking at opening the Council Chambers to the gathering in the Chambers while still offering remote options to the public or to the Councilmembers. It allows more flexibility but we are still trying to follow the CDC guidelines of gatherings of less than ten people.

Mathisrud stated phase three through this pandemic would result in the most relaxing of the restrictions that we have in place. We'll continue to allow flexibility and interactions with the public, allow larger gatherings of people, and open up the Council Chambers fully for public meetings. Then we'd reevaluate and adjust to whatever the financial impact is and focus on long term sustainability.

Mathisrud stated that is the general overview of what the plan looks like in the three phases. It's designed to allow for flexibility and to hop between phases. If things need to be tightened we can lock down buildings again. If things are looking good then we can relax standards as well. Ultimately, this will be the city administrator and staff's decisions on what this looks like to the point where it makes sense. At the last Council meeting we discussed about returning back to some level of normal and how we conduct our Council meetings and how we handle the openings of public buildings.

Mathisrud stated at this point we are looking at switching to phase two. Phase two for practical purposes, the implementation of that really looks like we would continue to operate the liquor store as it's been open throughout this pandemic. The main change would be that we would open city hall again. We have installed sneeze guards, which would protect both the public and city staff and allow for business to be conducted there. However, we would also encourage the community to work with us remotely to the greatest extent possible. That would mean that we would post signage at the door showing what we can do remotely to minimize interact with people. We would continue to take appointments and allow for walk in business at city hall. We would continue to leave public works and the police department closed to the public. For the most part the public doesn't need to do business there. Both those organizations are able to come to the public when they are needed. Leaving that area closed minimizes any unnecessary exposures for all parties. City hall employees that are able to work from home, we will continue to encourage that. Employees will be provided and encouraged to wear masks, however, it will not be mandatory when the sneeze guards are in place like they are.

Mathisrud stated the Council will be able to meet in the Chamber with a capacity limited to ten. The Council could meet in person so long as the technology is in place that will allow that. It would still be limited to the public to maintain the gather at ten or less people. We do have some tech issues that we need to resolve. The next Council meeting will be via telephone. We tried setting up cellphones and other mechanisms and our experiment didn't work. We're working on getting IP phones set up so that we can have a phone conference meeting while gathering at city hall. Advisory board meetings will continue to be held via Zoom, or in the Council Chambers so long as these advisory boards can limit their gathering to ten and still maintain social distancing. We would try to make sure the public is well aware we can do all of our work remotely.

Mathisrud stated public restrooms will be opened to the public with clear signage noting the frequency of cleaning and that the use of those facilities is at their own risk. This is our plan for moving forward. I'd like to get some feedback from the Council if they feel this is something that they are supportive of.

Conway stated I have one concern. I work in an industry where we require masks as part of the uniform, knowing that those are not for our own protection, but for the protection of us not spreading it to somebody else. Having as many people as we do that are asymptomatic, why would we leave that as optional? Mathisrud stated the feedback I've received is that it's going to be a policy decision. A lot of businesses in the community, when they have the barriers in place, their policies are such that masks are not required, but optional of the employees. In my discussions with several of the employees that's one of the things there is not a lot of support for. We are a public entity and maybe that's something to consider and look at implementing as a requirement of staff to do if that's a way to protect the public. The public is not required to wear masks when entering our facilities. We talked about providing masks so that if people want to come in and shop the public is also required to wear masks. I've discussed it. When we drafted this, I left that as encouraged, but not required. Maybe it makes sense to provide masks for the folks that are coming into public facilities to protect the employees as well.

Conway stated I would put it this way, since the masks are to protect others, I don't know any businesses that are open to the public that require masks to be worn by patrons. But since it's to protect others, my thought is as city employees we should be trying to protect our citizens when they are coming into your city hall, and we should be protecting the employees from each other. We don't know whether you or I are carrying it today. Mack stated there are businesses in the community that are requiring patrons to wear masks when they come in, medical, dental, beauticians.

Leckner stated it's important that we make that available to employees. With the little bit of interaction we have in city hall I wouldn't think that would be something that we would have to make the employees wear. Especially since we've gotten the input of what they are thinking. I don't think we are putting anybody at risk. Stone stated I agreed since we have barriers in place. Leckner stated we do encourage it and we are making it available. I just don't agree with demanding them to wear it. If there was a concern with an employee, I'm sure they can come to Mathisrud and say if they think they are in danger and we could look further into that.

Conway stated you're thinking about it backwards. You're making it voluntary on whether or not I want to protect you, not whether you want to protect yourself. The mask

protects other people, not the person wearing it. Stone stated I think there is a lot of room for debate here.

Leckner stated it comes down to what the Council wants to enforce. Do we have a consensus as adding that as a standard? Do we want to take a vote on it if we think it's a concern? Conway stated it's a concern to me, but I'm hearing that I won't have a consensus. If you need a motion to pass it as a standard, go ahead and take your vote and I'll probably vote against it. Leckner stated there isn't a consensus. We weren't looking for a motion. Mathisrud stated if the Council feels strongly on that I encourage a motion on that, but at this point I just wanted to make sure the Council was aware of the plan that I put together and if there were any major concerns with it and I'd get that feedback so I can adjust accordingly. I didn't hear anything strongly one way or another on the rest of the plan, but the mask issue may need some more clarity. Conway stated if we say we are going to follow CDC recommendations that would include masking and social distancing. That's my feedback.

Leckner requested further comments, discussion, or questions. There were none.

4. ADJOURNMENT: A motion was made by Stone, seconded by Conway, and unanimously carried to adjourn the meeting at 7:35 p.m.

[seal]

Mayor Ryan Leckner

ATTEST:

Margie M. Vik
City Clerk