

**CITY OF PARK RAPIDS  
CITY COUNCIL MEETING  
JULY 14, 2020, 6:00 PM  
Park Rapids City Hall Council Chambers  
Park Rapids, Minnesota**

**1. CALL TO ORDER:** The July 14<sup>th</sup>, 2020, Regular Meeting of the Park Rapids City Council was called to order at 6:00 p.m. by Mayor Ryan Leckner, and the Pledge of Allegiance was recited.

**2. ROLL CALL:** Present: Mayor Ryan Leckner, Councilmembers Tom Conway, Erika Randall, Liz Stone, and Robert Wills. Absent: None. Staff Present: Administrator Ryan Mathisrud, Planner Andrew Mack, Planning Intern Adam Herberg, Treasurer Jeremy Jude, and Liquor Store Manager Scott Olson. Others Present: Cynthia Jones, Sue Tomte, Mary Thompson, and Robin Fish from the Enterprise.

**3. APPROVAL OF AGENDA:** Mathisrud removed Item 6.9. from the agenda, and supplemental information has been provided regarding Item #9.1. **A motion was made by Conway, seconded by Wills, and unanimously carried to approve the agenda with the following changes: Delete Item #6.9. Resolution Accepting the Resignation of Rapids Spirits Liquor Store Clerk Cynthia McGrath, and Additional Information has been provided for Item #9.1. Cares Act Funds Disbursement Plan.**

**4. APPROVAL OF MINUTES:**

**4.1. City Council Regular Meeting Minutes-June 23, 2020:** A motion was made by Randall, seconded by Stone, and unanimously carried to approve the June 23<sup>rd</sup>, 2020, City Council Regular Meeting minutes as presented.

**5. FINANCE:**

**5.1. Payables & Prepaids:** A motion was made by Stone, seconded by Randall, and unanimously carried to approve the payables in the amount of \$85,464.18, and the prepaids in the amount of \$515,986.42, for a total of \$601,450.60.

**6. CONSENT AGENDA:** A motion was made by Conway, seconded by Wills, and unanimously carried to approve the following consent agenda items:

- 6.1. **Approve Golf Cart/Class 2 ATV Licenses to Drive on Park Rapids City Streets in 2020 for Jarod Anderson-ATV, Barbara Preiner-golf cart, and Bruce Johnson-ATV.**
- 6.2. **Resolution #2020-117 Approving Application for Minnesota Lawful Gambling LG220 Application for Exempt Permit for NWTF Tall Pine Toms.**
- 6.3. **Approve Pay Request in the Amount of \$16,227.30 for Apex Engineering Group for Profession Services Regarding the Water Plant and New Well Project.**
- 6.4. **Approve Plumber's Permit to Work in the City of Park Rapids in 2020 for Eric's Plumbing.**
- 6.5. **Approve Pawnbroker's Permit for Royce A. Holland d.b.a. Fuller's Gun and Pawn for May 1<sup>st</sup>, 2020, to April 30<sup>th</sup>, 2021.**
- 6.6. **Resolution #2020-118 Authorizing the Disposal of Surplus City Property from the City of Park Rapids.**
- 6.7. **Approve Wage Scale Increase for Part Time Accounts Payable Clerk: for 2020 at \$15.00-\$18.26, 2021 at \$15.60-\$18.93, and 2022 at \$16.28-\$19.72.**
- 6.8. **Authorize Staff to Advertise for the Open Accounts Payable Clerk Position and to Interview Potential Candidates.**
- 6.9. *Removed from the agenda.*
- 6.10. **Resolution #2020-119 Approving Ordinance No. 604 Amending the City Code of Ordinances of the City of Park Rapids, Chapter 92 Nuisances, Sections 92.02 and 92.05, and Chapter 93 Environment, Sections 93.01, 93.02, 93.03, 93.05, 93.13, 93.17, and 93.35.**
- 6.11. **Ordinance No. 604 Amending the City Code of Ordinances of the City of Park Rapids, Chapter 92 Nuisances, Sections 92.02 and 92.05, and Chapter 93 Environment, Sections 93.01, 93.02, 93.03, 93.05, 93.13, 93.17, and 93.35.**
- 6.12. **Resolution #2020-120 Approval of Conditional Use Permit for Lisa Cottrell for a Home Occupation to Open a Beauty Salon at 805 Kaywood Drive, PID #32.24.02900.**

- 6.13. Resolution #2020-121 Authorization to Execute Grant Agreement 3-27-0075-017-2020 by and between U.S. Department of Transportation – Federal Aviation Administration and the City of Park Rapids.**

**END OF CONSENT AGENDA**

**7. COMMENTS FROM CITIZENS:** Cynthia Jones thanked the Council for their cooperation for letting Rotary do the fireworks. We were surprised that everyone did social distance. Red Bridge and Heartland Parks were perfect. We're very pleased. We did shoot high this year in hopes that people would be able to see them around town. Most people were gathered around the city. We have outgrown the park. There's a tree that keeps growing right in the middle of the setup. We may have to move the show, but we're not announcing that yet.

Sue Tomte stated a special thanks for all of the staff who were out helping. We could shut down the lights. We had all of the permits that we needed, and the weather was good. The city asked for help from Rotary, and some citizens that use the bridge regularly, for painting the bridge and now the bridge is done. Mack stated I'd like to acknowledge the donation from L&M Fleet for all of the paint and supplies for that project.

**8. PLANNING:**

**8.1. Resolution Approval of Downtown Electric Vehicle (EV) Public Charging Station Plan and Authorizing Execution of an EV Donation Agreement with Minnesota Power:** Intern Adam Herberg thanked the Council for allowing him to work on this project. It's been a very good experience. Following a number of actions to install the first public EV facility in Park Rapids, the project is now ready to proceed. EV charging is one of the next steps in becoming a more sustainable, greener community, while also increasing tourism, and downtown revenue. The EV charging facility will be dual head level 2 charger placed in the downtown area and it will not only be a benefit to the community, but also for the Heartland Lakes Area and Hubbard County in its entirety. It's not going to be just for the downtown area. It's for this whole area to use because right now it's a dead spot for EV charging. If we looked at a map we would see the Brainerd/Baxter area has a good number of charging facilities, but we're in a big void. If we were to implement this it would be a big benefit.

Herberg stated we are seeking approval from the Council to enter into a donation agreement with Minnesota Power to obtain a level 2 EV charging station for our downtown area. The total grant involves the donation of a dual head charging station in the amount of \$1,500.00 towards the electrician install costs. Two sites have been identified by city staff, the Downtown Business Association, and myself, site A on Second Street and Main Avenue where a meter has already been placed, and site B is the city parking lot adjacent to city hall. That would be more costly to install there.

Herberg stated the Downtown Business Association is recommending site B. It's a good plausible site. There is a \$1,180.00 difference to install at site A versus site B. Site A would cost less. Site B would require a new meter and a designated area, but staff would

like to show that we prefer either site. Either way this is something that needs to be in our community and it will be a benefit no matter where it's at. Staff recommends Council approves an EV charging station in Downtown Park Rapids, and to enter into a donation agreement with Minnesota Power for its installation in one of the two identified sites.

Herberg stated in the category analysis, there is a range of numbers that says \$10,000.00 to \$40,000.00. That is for a future reference cost. If we like what we have with the level 2 charging and we want to get more charging for another area, level 3 would be the next step, but the implementation cost with those is much higher compared to the level 2. I don't want Council to think that's what we're getting now. We're getting a donation from Minnesota Power for the charging station so it's not going to cost as much, but going forward, if you want level 3 for faster charging, it's going to cost a lot more.

Randall questioned with site A would you have to park on the street and use up a parking space? Herberg stated we would have two parking spaces designed right in front of the meter, painted and labeled, and then take those two existing parking spots and on the other side at Stacked High Deli we'd put two additional handicapped parking spaces there for easier access. So it would be right there by the Wellness Center. Wills stated we would lose two parking spaces on Second Street. Herberg stated those two spaces are right now designated as handicapped, but we'd design two spaces by the deli as handicapped. Wills stated if we expanded the system we would probably be going to do that anyway. Herberg stated potentially yes, we could see it being another location and going further because it's a bigger parking lot and would have more infrastructure potential. Wills stated we could anticipate that.

Mathisrud stated between the mix of grant sources, is that enough to cover site B, or would we have to request an additional \$1,180.00 to fund the location at site B. Herberg stated it would be an extra \$1,180.00 on site B. Conway questioned but it's included in this? Mack stated the grant between Enbridge Energy and Minnesota Power covers either option, with no additional funds out of the city budget.

Leckner questioned would we want to state which site in the resolution? Mack stated the recommendation from the Downtown Business Association is for site B. The resolution is worded accordingly for site B.

Conway questioned so site B would take just two parking spaces in the city parking lot? Mack stated we'll relocate a recycling container from that spot, so those spots were lost already. Leckner stated I'd go along with site B. Mack stated the budget also includes signage for the site and for both highways directing you to the charging facility.

**A motion was made by Conway, seconded by Wills, and unanimously carried to approve Resolution #2020-122 Approval of Downtown Electric Vehicle (EV) Public Charging Station Plan and Authorizing Execution of an EV Donation Agreement with Minnesota Power.**

**Discussion:** Sue Tomte questioned when it is going to be done. Herberg stated if everything goes right, I hope it will be done before my internship ends, which is August 12<sup>th</sup>, but it might be a little longer than that, and hopefully before winter.

**8.2. Approve Low Bid Award for Electrician Services to Install EV Charging Equipment in Downtown Park Rapids:** Mack stated this is the second part of implementing this, to approve the low bid for electrical service. We have two quotes, one from Hoffman and one from Davis Electric. The low bid for both site options was Hoffman

Electric at \$4,250.00 for site B. That bid is within the grant amounts, and we recommend award of the low bid to Hoffman Electric.

**A motion was made by Randall, seconded by Wills, and unanimously carried to award the low bid in the amount of \$4,250.00 to Hoffman Electric to install the EV Charging Equipment at Site B, as recommended by the Downtown Business Association.**

## **9. GENERAL BUSINESS:**

**9.1. CARES Act Funds Disbursement Plan:** Mathisrud stated this relates to the distribution of the CARES Act Funds that the city recently received in the amount of \$311,000.00. Conway, Leckner, and I have been working with the HRDC who is putting together a plan, along with Hubbard County, to manage the disbursement of those funds. Mary Thompson is here to give a presentation.

Thompson stated the Corona Virus Relief Fund is money that is provided out of the CARES Act to local units of government. It is allocated based on the per capita populations. Three of the cities within Hubbard County were awarded as well as the county and several of the townships. Heartland Lakes Development Commission was approached about the potential of creating a pool that would be available to businesses within Hubbard County as a whole, but administered more at the local level to provide assistance to businesses that are particularly impacted by the fund. Our organization did put together with a task force that contained a Councilmember, the administrator, and two members from the county. The goal of the program was to provide emergency financial assistance to businesses that are experiencing financial hardship, to allocate the CARES resources, and to make sure that the businesses have the ability to survive beyond this pandemic, and then also to retain jobs around the county. Those were the overarching thoughts behind this.

Thompson stated the eligibility the businesses have to demonstrate that they have were directly and adversely impacted by the virus, either through required closings, loss of revenue, loss of business, or of those things that are related to that. If they can meet that benchmark and show and quantify the amount of the revenue loss that they have, they'd be able to receive grant funding. The threshold that we came up with is 30%, and how we're going to do that is take an assessment based on the financial statements of the business from March through June of this year and last year. If the business can show a 30% decline then they will qualify as being impacted. Based on the availability of funding and the number of applicants that, in total, apply, then they could receive up to \$20,000.00. One thing about that difference is that any of the other grant sources that are received, PPP that is forgivable, some businesses did actually get that \$10,000.00 to \$15,000.00 that would offset the amount of resources that they would be eligible to get. Some of the state funding called the SBEL or if as the state awards that lottery money, that's a grant as well. So any of those things would have to come off of the amount awarded in order to do this calculation.

Thompson stated I have been reaching out to all of the townships that have been eligible as well and many of them are going to participate. With the overall pool we expect there are going to be several rounds of funding, the reason for that is the local unit of government is getting this one time allocation that is for expenses from now until

December 1<sup>st</sup>. The local units of government are going to have to do some estimating on what you anticipate your expenditures are going to be during that time period, both what you have already done and what you expect to do, and then set those aside. If you have expenses that are going to take that entire amount then we wouldn't expect that there will be anything left over. What we're hearing is a lot of the local governments are not going to have expenses that are going to cover all of that resource so they can put that in the pool. We don't want to send money back. As we allocate the first amount of funding, if the local units of government find that whatever they set aside isn't going to be used, we can put it into this pool and reallocate another round of funding to businesses. That's why we're saying there could be a potential for more funding. We're anticipating one large round, and then potential subsequent rounds, depending on how much more becomes available at the time.

Thompson stated the pool money is going to be allocated for the jurisdiction with which it comes to us. The city's funds would only be used within the city. Any particular township would have their resources used only within that township, until that first round of funding happens and then there would be less of a geographic disbursement other than we really want to make sure that all of the businesses that are impacted have some access after we've allocated that. The expectation is going to be that if there are five businesses within a jurisdiction that receive funding, but the jurisdiction really only has enough for one, then we would spread that across all five, and then use the county pool to supplement so that we have the ability to have that jurisdiction, for instance a township be able to say we were able to touch all of the businesses that were in our jurisdiction with some assistance.

Thompson stated the maximum amount right now is \$20,000.00. We picked that number trying to figure out what would be a meaningful amount for most businesses. And also, trying to be cognizant of how much money do we really have and making sure that we can have some impact on just about every business. There was more art than science on how we came up with that maximum amount.

Randall questioned the handout that we have says \$10,000.00? Leckner stated we just changed that yesterday. Thompson stated we've had several drafts. The other thing that was added yesterday and may not be in your materials that you have is that we did make a conscience effort to exclude non-profits for this first round. We talked a lot about those that have a business type activity and those that don't and how do you make that work. The group decided that it was really for for-profit businesses. At least, initially we excluded those from funding.

Thompson stated the timeline for this is we are expecting to have applications ready about the last week in July. I want an opportunity to get as many jurisdictions that want to participate as possible in the first round so that we have the breathe of what we have available, and then be able to allocate that as equitably as possible. Then applications would be accepted through the first week in August, and then the selection process will occur. Payments should go out about the end of August for the first round. It would be right before the tax payment. We have been hearing that some of the businesses are really concerned about making that second half payment. We're hoping this helps with some of those kinds of expenses that are coming.

Thompson stated this is a revenue replacement type. It's not meant for a particular expense that a business has. It's documented by the lack of revenue from one year to the next. It's a little bit different that way. Our organization is willing to do all of the

administrative work that is associated with this. The process from the city's perspective, most of the things you already got under control. You fill out the CRF form, the certification form. You have to enroll with Swift, to become a Swift Vendor. It's a Minnesota requirement. You also have to make sure you have a DUNs number and are registered with SAM, which is a federal reporting portion. If you have received state and or federal funding that's all taken care of. The other components of receiving this funding is that there is a monthly report that goes along with it. You have to report to Minnesota Office of Management and Budget on what you've received and what you've expended every month until the funding is gone, and then there is a final report. Our organization will take care of that reporting and make sure that it's done. We will also make sure that we have all of the files documented. So when the auditors come you'll have everything to show what your expenditures were and all of the documentation to go with that. We are looking at having a per file reimbursement. For each business we would assess it would be onetime fee of \$200.00. If the business has two or three funding sources it would still only be one fee per file of \$200.00.

Randall questioned does that \$200.00 come out of the amount that is going to the business or the city's pool. Thompson stated it would be from the entire pool. It wouldn't be against the businesses.

Thompson stated as to the amount of work for the businesses we're asking for pretty standard financial information, a couple of years of financial projections, tax returns if they have them, a certificate of good standing. If any of these businesses have already applied for financial assistance they have already got it together. We're not asking for anything more than they would have already been putting together. It should be a fairly easy process for most of the businesses to access the resources that we have put in place.

Stone questioned if they have already received more than \$20,000.00 they wouldn't be able to qualify. Thompson stated the way that we envisioning this, the policy states that the business will give us the information for two years and they have to have at least a 30% decline. If the decline was \$50,000.00, then they would take away from that any of those other resources that they have received. If they received \$10,000.00 that gap is \$40,000.00. We take half of that, so they would still get \$20,000.00. That other amount we'll keep record of that. If there is some reason we don't have a lot of businesses applying, we'll leave it open and we'll come back to some of those businesses again, or if we get additional resources we can come back to some of those businesses that we didn't fully fund. We'll keep that in mind.

Thompson stated we think the process is as simply as we can get it. Trying to really make a difference is what we are trying to do. We talked a lot about the formula so I have to thank Conway and Leckner for helping out and getting something that I think is pretty workable.

Mathisrud stated I sent out a directive to the department heads to put together some financials on what they expect the city's expenses would potentially be. At this point, I'm recommending that the city retain \$191,000.00 for projected and potential expenses between now and October 1<sup>st</sup>. Then we'd make available immediately \$120,177.00 for that first round of grant funding. As we get closer to the second round and we add up all of our invoices we'd be able to potentially make additional funds available. That's my recommendation if we move forward in adopting this policy.

**A motion was made by Randall, seconded by Stone, and unanimously carried to adopt the COVID-19 Business Assistance Program, and make available \$120,177.22 for the first round of funding, with the stipulation that the business program has a maximum grant of \$20,000.00 per business, and will exclude non-profit organizations.**

**9.2. Discussion of Rapids Spirits Liquor Store Tour:** Mathisrud stated before the meeting today the Council did a walking tour through the liquor store and the surrounding area to get an idea of some of the needs there at the store. We looked at the parking lot, the sales floor, the office area, the warehouse, loading dock, and coolers. We learned the age of the store is about twenty-six years. There are some space constraints. There are obsolete design issues associated with it. I'd like to get a sense of what the Council is thinking in terms of how staff might move forward with a plan for the store.

Leckner stated when we talked at the Finance Committee meeting, we talked about the price of an addition, a rough estimate for square footage for adding on. We talked about getting one for a new building. Did we get any of those numbers? Mathisrud stated at this point I don't have numbers prepared to share with you on estimates on that. Mack has been working with our building official on some formula based estimates and cost per square footage for additions or new construction. He's still working on getting numbers associated with that to give us a frame of reference as far as what potential costs could be on expansion or new construction.

Leckner stated we wanted an idea of how deep we want to go. If he can get us some rough estimates and then go and get an architect and spend some money on what a new store would be. Mack stated with regards to potential expansion we identified some hard estimated costs. I nailed down one further with regards to utility relocations. In terms of new construction we don't have a cost associated with that at this point. Some of the same types of numbers could likely be used in developing that type of formula.

Mathisrud stated in terms of moving forward with something we can present what we think the potential figures would be, but after that we would need a sense from the Council of whether or not we should move forward with any concept design work, which would require spending some funds to do by hiring an architect to put together some options for site work or potential layouts for expansion or relocation. That's where we're headed with that and we'd like a sense for moving forward or send it to committee for further discussion.

Randall stated I think this is important but I hesitate to take any forward steps on it right now. We are coming into our budget and we'll be spending a lot of time on working on it. I don't see this as making our 2021 budget. I'm hesitant to spend any resources or money on it right now given we don't know what our budget is going to look like next year. I think we are going to be asking our department heads to make some cuts to their budgets next year so that we're coming into 2021 very lean. We just talked about all of the struggles that our businesses have been having. I really want to be conscience of that. The taxpayers may be struggling with their payments. I think this is important. I want to keep it moving, but I don't want to spend time on it and we get some preliminary numbers and it gets pushed off for months and we'll have to get those numbers again before we even get to the architect. My recommendation is that we kick this out six months. We'll have our budget for 2021 done and then we can really see if this is really something that we want to take on and we'll know what our financials are looking like at that point. That's my thought.

Personally, going into this next budget, I want to make sure we are cognizant of our finances.

Leckner stated one of thoughts of doing this and it's urgency was to look forward when budgeting might be difficult and Olson can help with what needs to be put into the store and what may need to be replaced over that next year or two.

Scott Olson stated that's always a thing that we are looking at. We've been working on as lights fail, we've been converting to LED. So we have some expense there. The mechanical equipment is aging on us. At this point we've been replacing what breaks. Are we going to continue that process or should I start, budget-wise, looking at some of the prudent things we need to replace this unit rather than wait for it to fail. There are some of those things that would impact us if we knew what timeframe we were looking at.

Randall stated this is unfortunate timing. I want to see this project move forward too, but I don't want to say to our taxpayers you're all struggling to make your payments and we're going to move forward and build a new liquor store. What's where I'm coming from. I think we have to get this year's budget set and approved and then we can look at it.

Conway stated I would agree with Randall. I had a lengthy conversation with Mathisrud before because I couldn't make the tour. My thought is we need more of an idea of what you're recommending to do even before we even think about budget. What I envision is options. Option one, we build a new building in the parking lot behind the liquor store. Option two, expansion and what that looks like, and some kind of figures around it. Then we think about option one or two, let's hire an architect to look at it. If we want to go off six months or a year before we think about budget that time could be spent by staff trying to determine what the options look like and what makes the most sense to accomplish what needs to be done.

Leckner stated that's what I was thinking too. I think you need those to move forward at all. Randall questioned how do you do that without spending money? What you are asking for is going to require money to be expended because they can't come up with the drawings, or the cost estimates for demolition. We're expending some money there. I saw the numbers that Mack put together. They are ballpark at best. That's no offense to our building inspector, but that's not his role to give us building cost projections.

Conway questioned do we have an idea of how much of an increase in square footage do we need? What is he looking at for traffic flow through the liquor store? Those kinds of things I would expect the management or the business to be able to tell us before we start thinking about what we need to do to design it. We need to know what the demand is and what the need is.

Leckner stated and how is the store going to pay it back? We have done a revenue study that shows how it will be paid back. Those things all make a difference. It may take a while to get there. Conway stated I'm saying we don't have enough information at this point. Stone questioned what kind of information are you looking for? Conway stated information from Olson that says our parking lot is full this amount of time. If we added 30% more space in the parking lot that will add flow through the store, we're going to be able to sell this many more dollars of product and to meet the demand of more product I will need this much more square footage, before you even come to somebody and say I need to increase the square footage.

Leckner stated we did do a revenue study. Mathisrud stated a couple of years ago a market analysis took place in preparation of store expansion or relocation. Olson stated in 2017 we had a market study done by a firm and went out as far as Hackensack and they

showed potential market draw, square footage, and that's where we came up with at least 12,000 square feet, which is what we have to have to display products. It didn't move forward after that study was done so it's somewhat outdated. Mathisrud stated in that there is some sales projections, the recommended amount of square feet for a store based on the sales projections for the area. That's something that we can share with the Council to get everybody up to speed on that, and maybe continue this discussion at another time. Randall stated this seems like it should be a workshop discussion rather than having it on the regular agenda since it's at such a preliminary stage.

Stone stated I would like to know what this 12,500 square feet is. Olson stated its overall space. 60-70% of it would be for retail. We'd like to shrink the warehouse space to be able to merchandise that product that you saw in the back. We'd either have it on the shelf or in a nice display. We wouldn't grow the warehouse space at all. Stone stated when I was walking through there that's the direction that my head was going, you've got a lot of space, but you have a lot of marketing opportunity. Maybe it takes an expert to walk through there to help us reconfigure this building that we have.

Olson stated when the county did the courthouse, their architect did a space study at the store. They found that without construction they really didn't find any efficiency. Randall questioned isn't it the Minnesota Beverage Association that will come out and do that too? Olson stated yes. I've utilized them for things in the past. Randall stated I met them last year at the annual conference, and he offered to come and do that. There are things that we could do that are not going to cost us any money. Stone stated I would like to utilize that kind of resource and have them walk through and tell us what we can do with the space that we have. I recognize the parking is difficult. I'm not disagreeing with that. I think it's worth a lot of extra insight. Randall stated sometimes it takes an outsider to come in and give some recommendations on what could be done.

Olson stated I had the president of our association come up and do a walk through last year. Randall questioned did he give you something in writing? Did it come to the Council? Olson stated she was vacationing in the area so it wasn't an official visit. I've done it for other stores. The eyes that don't deal with it every day see more when you walk through.

Randall questioned how many square feet is the store in Bemidji? Olson stated with their basement they are about 14,000.00 square feet. Randall stated so 2,000 more square feet and that building cost came in at \$4.3 million. Stone questioned how much square footage of storage do we currently have? Olson stated 4,700.00.

Olson stated I had proposed a beer cave. It came off of the CIP when we started talking about a new structure in 2011. A new building has been on the CIP since 2011. We curtailed a lot of stuff from proceeding forward while we determined are we or aren't we going to move forward. Stone stated I see a lot of potential with the building that we have by using the space differently and then updating things. If there is a possibility of taking the current cooler that we have, leaving the doors as they are, moving the entrance to the store, and utilizing the cooler and updating it into a beer cave. Olson stated that's what was being proposed. We would take out the middle eight doors of the right side and utilizing that space where the cooler got added onto. That would be the bulk of the beer cave. It was going to be on that right side. The left side would stay as is.

Randall stated when I was back there it seems obvious. I feel like we as a Council haven't heard if the opportunities of the existing building have been exhausted. I'm not seeing or hearing that. When I saw all of the space back there today, yes it's full, but I think

an outside perspective is needed. The fact that the people who did the county building and walked through there and didn't see any opportunity means nothing to me. They weren't designing a liquor store at the county building. They were re-designing some office spaces.

Leckner questioned is there somebody to hire? Randall stated our first starting point is to contact the Minnesota Beverage Association. They will come up and give us their suggestions. It would be helpful for them to do a walk through, and then give a presentation to the Council on their thoughts so we're all hearing the same thing. I'm guessing that they'll have a suggestion regarding someone who will do a more in-depth plan that would then cost us some money to get done. Olson stated that's where the market study resource recommendation came from.

Conway stated we have to think about timing when we do this. The liquor store is now contributing 7% of our budget. If we were to go into construction mode, you are going to lose part of that and turn it into a liability. Right now, our taxes might be affected, because of COVID-19 losses, I want to do the work and find out what it will cost and what we need to do, but I also want us to realize that maybe it will be a few years down the road before you actually get there. Randall stated we're not going to know the full effects of all of this for a while. Leckner stated we do need to move forward or start somewhere from the staff's standpoint as to knowing which direction to go. Olson does realize there would be a loss of revenue during a remodel or teardown. You have to weigh out the difference in price. Olson stated we have to consider the time frame so if there are things that need fixing do we fix, or replace, or wait, based on the timeframe. Conway stated I'd like to push this back to staff and say come to us with a recommendation that you think makes the best economic sense and we can review a recommendation. You should use the best resources that you have to write up one or two options as to what you think we should do and why we would make more money doing it. That's what I would expect.

Mathisrud stated I would suggest that we get through the budget this season and then come back to the City Council with that report at a future worksession. Randall stated I think it will be the first of the year before we get through the budget and all of this COVID stuff. Mathisrud stated I anticipate that as a worksession in January 2021.

**10. CITY ADMINISTRATOR COMMENTS:** Mathisrud stated we had a wind storm last week. Public works has been working hard to clean that up. Our Fourth of July Celebration went well. Everyone worked hard to get the town cleaned up and looking good for that. We are working through the audit process. That's going slow but steady. It's taking additional time this year because of having to upload a lot of documents, but it's moving forward. We'll be starting on the budget process shortly, and hopefully get that in front of the Council soon.

Mathisrud stated I'd like to thank Adam Herberg for his presentation. You did good work on that proposal. Looking forward to working with you again in the future. Mack stated he's working on updating the comprehensive plan in the sustainability section. That will be coming to the Council after a public hearing by the Planning Commission.

**11. DEPARTMENT HEAD UPDATES:** Jeremy Jude stated he was working on the audit. It's a little backlogged, but we're working through it.

Andrew Mack stated the Hubbard County HRA 28-plex is underway right now. We'll see how quickly this one fills up. We're excited to bring in more workforce housing. We have a number of other building permits this year. We've been very active. The virus has people at home thinking about projects to do, so we've been busy doing a lot of small project work in our community, as well as big stuff. One big project is the Simonson redevelopment building project. Bids from the subcontractors are coming in this week and they will be making a decision on Friday. I expect the work to be underway in the next month or less.

**12. MINUTES/REPORTS/INFORMATION:** There were no comments.

**13. COMMENTS FROM COUNCIL:** Stone stated we had a Parks Committee meeting yesterday. We talked about the naming of parks. We have two parks that are not officially named. We're creating a more formalized policy to address that. We were given a presentation on the possibility of a splash pad in the future and the grant opportunities that we could use to pay for that.

Randall thanked Herberg for his presentation and also thanked Jeremy Jude for putting in a lot of time here working on getting to know his job and also on the audit and to ask him to hang in there with us.

Conway thanked Herberg and Jude. I'd like to give a big thank you to Mary Thompson for the work that she has done on this CARES Act. There is no way that committee has the knowledge to put this together without Thompson's research. That's been a lot of work.

Leckner stated the senior center has come to us numerous times to get us to forgive an assessment that they have. As a city we just can't do that or donate any money. I was talking with Mary Thielen, and they, Ted and Mary Thielen donated \$1,745.45 to pay off the senior's special assessment. That was pretty nice to take that burden off of the Senior Center. Thanks to the Rotary for the fireworks and to the group that did the painting on the Red Bridge. It looks nice.

**14. ADJOURNMENT:** A motion was made by Stone, seconded by Conway, and unanimously carried to adjourn the meeting at 7:05 p.m.

[seal]

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Mayor Ryan Leckner

ATTEST:

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Margie M. Vik  
City Clerk