

**MINUTES OF A PUBLIC HEARING OF THE CITY OF LITTLEFORK
IN THE COUNTY OF KOOCHICHING AND STATE OF MINNESOTA
INCLUDING ALL ACCOUNTS AUDITED BY SAID COUNCIL**

Thursday, November 17, 2020

Public Hearing on the Question of Whether the City Shall Continue to Operate a Municipal Liquor Store

Call to Order

Mayor Mike Fort called the hearing to order at 7:00p.m.

Roll Call

Members Present: Kevin Sather, Loren Lehman, Mike Fort, Quen Kennedy.

Members Absent: Destry Hell.

Others Present: Sonja Pelland, Kristi Splett, Harvey Lehman, Mike Polkinghorne, Brian Lindvall, Teckla Brown.

Mayor Fort explained to those present that the reason for the hearing was that according to Minnesota Statutes any municipal liquor store that shows a loss in any two of three consecutive years must hold a public hearing on the question of whether to continue operations.

Prior years' statistics were reviewed and it was explained that the liquor store had lost revenue of approximately \$57,000 in 2019 due to being shut down for repairs from January 1 through March 28. The loss in 2020 is attributed to approximately \$65,000 in lost revenues because of Covid 19 reduced hours and lack of workers.

An e-mail with questions from Pat Lindvall was shared with those present and Mayor Fort offered answers to the questions. Pat inquired about the status of the appraisal for the liquor store voted on in August. Mayor Fort explained that the cost was over \$5,000 so the council had chosen not to pursue an appraisal. She also inquired about transfers into the liquor fund and if further transfers were intended. Mayor Fort explained that in 2020 after a public hearing, \$15,000 of Small Cities Aid was transferred to the liquor store, and that in 2021 the council gave a \$10,000 grant to the store from Economic Development funds because the municipal liquor store did not qualify for the grants other small businesses were receiving for Covid. He stated that there are no plans to transfer any more funds to the liquor store. Pat also asked what the bottom line is as far as keeping the business open and if there are any major plans to make it profitable. Mayor Fort stated that it is the intention of the council to keep the store open and that it is always our goal to make the store profitable, but that Covid 19 has had the same effect on the liquor store as many other businesses.

Mike Polkinghorne stated that he found it difficult to watch any business close down and that Covid is still not gone and will affect everyone.

Discussion was held about the difficulty businesses are having finding employees to work and that it is a nationwide issue. Loren Lehman said that daycare for bartenders with kids is also a challenge.

Teckla stated that she is very flexible with the bartenders' hours and that she gives Kerry Kelly seniority and asks all of the casual bartenders when they can work and that she generally fills the shifts they won't take. If all the shifts can't be filled we have to close. Sonja Pelland stated that having to close due to lack of someone to fill the shift has only happened two or three times this year.

Mike Polkinghorne inquired if the hours are posted and felt that the hours need to be posted more prominently rather than just on the door. Mr. Polkinghorne stated that he felt the bar should be kept open if at all possible and that he would hate to lose it. He felt the assessed property value would not be much and that even if the place sold it could possibly operate for a couple of years and then be an empty building.

Councilor Sather brought up the possibility of selling the bar.

Councilor Kennedy remarked that there are towns who lose money on their municipal liquor stores every year and still keep them open. He said that there are many small liquor stores that are having to hold hearings this year who are struggling with the same issues as Littlefork.

Harvey Lehman stated that selling is no guarantee that the place would stay open and Mike Polkinghorne agreed, stating that Covid is not over and he felt it was worth the city keeping it going. Councilor Sather agreed.

Teckla Brown reported that she had checked to see if her prices were similar to Big Falls and found that prices were compatible. Now that restrictions are lifted she would like to try to have some events to attract customers.

Hearing no further comments as to whether Littlefork Municipal Liquor Store should remain open, the mayor closed the hearing at 8:30p.m.

Attest: Sonja E. Pelland, City Clerk

Mayor Mike Fort