

**MUNICIPAL OFF-SALE RETAIL LIQUOR BOARD
LIQUOR STORE
MAY 7, 2013
6:15 P.M.**

AGENDA

- I. CALL TO ORDER
- II. CONSENT AGENDA
 - A. Minutes (page 1)
- III. NEW BUSINESS
 - A. April Promotions
- IV. OLD BUSINESS
 - A. Sales & Purchasing Report
 - B. Wine Club
 - C. Parking Lot Lighting
 - D. Sign on Wheels
 - E. Open House – Friday, May 24, 2013
 - F. Whiskey Night
 - G. Ladies Night Out Report
 - H. Beer Camp
- V. INFORMATIONAL
 - A. Capitol Update Report (page 5)
- VI. ADJOURN

*****Please contact Renee Eckerly at 320-243-3714 ext. 227 or
at renee@paynesvillemn.com if you can't attend the meeting.*****

Voting Members: Jeff Thompson, Jennifer Welling, Steve Vaske, Sue Hecht, and Reed Ringstad. Advisory Member: Bill Ludwig

This agenda has been prepared to provide information regarding an upcoming meeting of the Paynesville Municipal Off-Sale Retail Liquor Board. This document does not claim to be complete and is subject to change.

BARRIER FREE: All Paynesville Cable Committee meetings are accessible to the handicapped. Attempts will be made to accommodate any other individual need for special services. Please contact City Hall (320) 243-3714 early, so necessary arrangements can be made.

REQUEST FOR COMMITTEE/COUNCIL ACTION

COMMITTEE/COUNCIL NAME: Liquor Board

Committee/Council Meeting Date: May 7, 2013

Agenda Section: Consent

Originating Department: Administration

Item Number: II - A

ITEM DESCRIPTION: Minutes

Prepared by: Staff

COMMENTS:

Please review the April 2, 2013 Municipal Off-Sale Retail Liquor Board meeting minutes.

ADMINISTRATOR COMMENTS:

COMMITTEE/COUNCIL ACTION:

Motion to approve the minutes from the April 2, 2013 Municipal Off-Sale Retail Liquor Board meeting.

**MINUTES
MUNICIPAL OFF-SALE RETAIL LIQUOR BOARD**

APRIL 2, 2013

The meeting was called to order by Vice Chairperson, Steve Vaske at 6:17 p.m. Members present were Bill Ludwig, Jennifer Welling, Jeff Thompson, and Sue Hecht (6:28 p.m.) Reed Ringstad was absent.

Motion was made by Thompson to approve the minutes from the March 11, 2013 Municipal Off-Sale Retail Liquor Board meeting. Seconded by Welling and unanimously carried.

APRIL PROMOTIONS

Miller Lite	12 oz. 24 pack cans	\$16.99
Miller Genuine Draft 64	12 oz. 24 pack cans	\$16.99
Busch Light	16 oz. 18 pack cans	\$13.99
Schell's	12 pack bottles	\$12.99
All Malbec Wines		10% off
Cupcake Moscato D'Asti		\$7.99
Crown Royal		\$2.00 off

MMBA ANNUAL CONFERENCE

Ludwig expressed interested in attending the Conference as he has never gone before.

Motion was made by Thompson to approve the attendance of Bill Ludwig to the MMBA Annual Conference and recommend such to the City Council. Seconded by Welling and unanimously carried.

AREA GUIDE AD

The Board reviewed the full-color ad for the Area Guide at the cost of \$270.00. Bourbon Night was changed to Whiskey Night and Beer Camp was changed to Quantity Discounts. The Board consented to run the ad again this year.

WHISKEY NIGHT

There have been requests by customers to host a Whiskey Night. Ludwig has a vendor that is also interested in this event. Thursday, May 16, 2013 was set as a possible date for this event. The location is to be determined.

LADIES NIGHT OUT

Ladies Night Out will be held on Friday, April 26, 2013 with in-house tastings from 5 – 9:30 p.m. A 15% off coupon will be distributed.

BEER CAMP

The Board discussed Beer Camp and scaling it down. It was suggested to hold Beer Camp on a Thursday night in July; however, to keep it from the same night as the Concerts in the Park.

MMBA BOOT CAMP & DECLARATIONS

The MMBA Declarations were reviewed and an update given:

Shelf Set, Traffic Flow, Specials POS, & Vendor Services

- Signage for wines – working on
- Numbers on cooler doors – done
- Logo on signs, flyers, posters & ads – Welling will work with Ludwig on this
- Higher margin product on the floor – done

Financial Statements, Pricing, & Inventory Control

- Focus on beer and wine margins – working on
- Use Cable Channel 8 for promotions and events – Ludwig will check with Eckerly on this
- Make sure employees are not lowering prices on cash register – Ludwig is working with staff on this

Security, Theft, & Internal Controls

- Line voids – working on
- Discounts given – working on
- Vendor check in – working on

Personnel, Customer Service, & Scheduling

- Staff training check list/manual – Ludwig and Welling will work on and put back on a future agenda. A draft manual should be completed this week.
- Wine Training 101 - \$25.00 online training for employees
- Bodily fluid kit & eye washing station – It was determined that there is not a need for this.

SALES & PURCHASING

Ludwig reported on the March sales:

- March sales were down \$1,500.00 from last year
- Last March had 70° weather
- Overall profit is up
- Till was over \$45.37 in March

STATE AUDITOR REPORT

The State Auditor's Report was reviewed noting that Paynesville Liquor was rated number one due to gross profit. The gross profit was so high due to the sale of the building.

WINE CLUB

The next Wine Club will be April 25, 2013 at Ron & Judy's Restaurant. The featured vendor will be Paustis & Sons. The March Wine Club had 57 people and sold 91 products.

Summer Wine Clubs will be:
June – will be a little bit of wine and liquor
July – Mike's Frozen drinks
August – Mystery night

PARKING LOT LIGHTING

Ludwig has been in contact with Roger Teal and Mr. Teal suggested that the cost be split between the City and Teals for the additional lighting. The Board discussed this and will wait for an estimated cost before making a recommendation.

CUSTOMER APPRECIATION DAY - ANNUAL OPEN HOUSE

Ludwig suggested holding the open house this year during the Memorial Day weekend; Friday, May 24, 2013 with all day sales. Vendors and sampling would be from 3 – 8 p.m. only.

SIGN ON WHEELS

Ludwig had researched a sign on wheels; instead of renting it from the Lions Club. Ludwig researched signs with and without wheels. It was suggested to ask Jim Stanger about constructing a trailer like structure for a sign and the cost for such.

WINE SECTION

Next week the store's wine section will be re-set. Aisle violators (signs identifying kinds of wine) were discussed.

TABLE

Ludwig is checking on ordering a 6' folding table to use for in-house tastings.

T-SHIRTS

Ludwig is checking on Wine Club and/or Beer Camp T-Shirts.

There being no further business, the meeting was adjourned at 7:48 p.m.

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McGRANN
SHEA
CARNIVAL
STRAUGHN
& LAMB
CHARTERED

CAPITOL UPDATE REPORT

From: Sarah J. Psick

Date: April 26, 2013

Liquor Issues Update

Omnibus Liquor Bill: There was no action on the Omnibus Liquor bills this week. The bill has already passed the Senate and it is possible it will be considered on the House Floor next week.

Minimum Wage: There was no action in either the House or Senate on the minimum wage bills this week. The House bill, HF 92, proposes an increase to the minimum wage which would reach a top level of \$9.95/hour by 2015. The Senate bill, SF 3, proposes an increase to \$7.75/hour by 2015. Labor interests are pushing for a wage of \$10.55/hour. This week the Senate Majority Leader, Sen. Tom Bakk, spoke to Minnesota Public Radio and it was reported that he stated a minimum wage increase will pass this year, but it will not be as high as the House bill or as the Labor request. We continue to work with other interested groups, including Hospitality Minnesota, to urge legislators to support a tiered wage for tipped employees. These policy bills have been put off as the House and Senate were working on the budget bills, but are likely to be considered in the next week or two.

Liquor Taxes: The House Omnibus Tax bill includes a significant increase in the tax on alcohol, raising over \$350 million during the two-year budget biennium. The Senate tax bill does not raise the alcohol tax. We are participating in a coalition of interested parties to oppose the increase. A public relations campaign has been initiated which includes radio and social media advertising. Posters and postcards are being delivered to retail locations. These will then be delivered to the legislature.

General Legislative Update

Countdown: The Legislature continues to work toward the May 20th deadline for the end of session. This week Governor Dayton held a closed door, no-staff meeting with House Speaker Paul Thissen and Senate Majority Leader Tom Bakk to discuss the broad budget and tax issues that need to be resolved in order for the session to

conclude on time. One of the first items that will need to be resolved is the size and scope of any tax increases. No decisions were reached at this meeting, but it was the first step in the process.

Taxes: The House of Representatives passed the omnibus tax bill on Wednesday by a vote of 69-64, all Republicans and four House DFL freshmen voted no on the bill. The vote on the bill came after nine hours of debate where few amendments were offered or adopted, but the debate on the final bill passage took many hours. The Senate DFL majority tax plan was passed out of committee this week and will be considered on the Senate Floor next week. The House, Senate and Governor all differ on their approach to generating revenue and a tax plan. The following chart is a breakdown of the different proposals:

	House	Senate	Governor (revised plan)
Permanent income tax increases	\$290 million	\$1.2 billion	\$1.1 billion
Temporary income tax surcharge	\$1.2 billion	0	0
Corporate tax changes	\$343 million	\$62 million	\$329 million
Sales tax rate reduction	0	-\$1.2 billion	0
Clothing sales tax	0	\$541 million	0
Total sales tax increases	\$94 million	\$89.2 million	\$9.7 million
Alcohol taxes	\$355 million	0	0
Tobacco taxes	\$434 million	\$735 million	0

Source: Star Tribune, House and Senate fiscal research. Numbers are for 2014-15.

K-12 Education Finance: The House and Senate approved budget bills to fund K-12 education this week. While there are differences between the two bills, both bodies provide funding for all-day kindergarten, and add funding to the state's general education funding formula – although at significantly different levels. Repayment of the K-12 education funding shift is included in the House bill, but the Senate delays the repayment. Several House Republicans joined DFLers in voting for the bill; in the Senate, a couple of DFLers voted against the bill together with all Senate Republicans.

Higher Education Funding: The House passed the omnibus higher education finance bill on Thursday with praise for the committee chairman, Rep. Gene Pelowski (DFL, Winona), who held a series of hearings this session which scrutinized both public higher education systems. The bill funds the state's public universities and colleges at a level which will freeze tuition at those institutions and require the institutions to submit detailed budget reports. The House bill provides that approximately 80% of the funding will go directly to students. The Senate passed its omnibus higher education finance bill last week which also increases funding to both institutions, but only freezes tuition at the University of Minnesota not at the MnSCU colleges. These differences will be worked out by the conference committee.

Bonding and Legacy Funding: Two bills that attract a lot of attention from the lobbyists and others who spend time at the Capitol are the omnibus bonding bill and the legacy funding bill. Both of these bills provide funding for many specific projects, all

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across the state of Minnesota. The legacy bill includes funding for the outdoors, clean water, parks and trails, and arts and culture. The omnibus bonding bill funds projects for state agencies, as well as, many local projects including civic centers, cultural projects, waste water improvements, historical projects, and higher education facilities. Both of these bills are currently stalled in the House of Representatives. The omnibus bonding bill is the only bill that the DFL majority cannot pass on its own, the bill requires a 3/5th majority to pass – or 81 votes. The DFL has a majority of 73, so eight Republican votes are needed for passage. The Senate is still working on assembling the legacy and bonding bills through the committee process. So, the wait continues.

Next Week: The Senate will take up the omnibus tax and omnibus transportation bills next week, completing the work on the budget bills. The majority of work will then transition to the joint House and Senate conference committees to resolve the differences between the bills. The Governor and legislative leaders will continue meeting to set targets for the tax and budget bills.

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